

UK NEWS

Crucial questions raised by ICI writ

By Sue Cameron
IMPERIAL Chemical Industries' shock decision to sue the Government over the tax concessions to be given to its chief rivals raises a whole series of crucial questions. The only certainty is that when ICI issued a writ in the High Court at 3.15 pm on Thursday afternoon it stirred up a hornet's nest that is going to take a long time to quieten down. The writ seeks a declaration in law in respect of the Government's plans to give tax concessions on petrochemical raw materials to Shell, Esso and British Petroleum. The concessions are embodied in the 1982 Finance Bill now going through Parliament. ICI contends the concessions breach Article 92 of the Treaty of Rome which bans subsidies. Shell, Esso and BP intend to sell lower-cost ethane gas to their chemical subsidiaries for use as a petrochemical feedstock. The Government intends to accept the price at which the oil companies transfer the gas to their chemical subsidiaries as a tax reference price. The transfer prices will be low and therefore the bills which Shell, Esso and BP receive for Petroleum Revenue Tax on their ethane will be low. Their petrochemical subsidiaries will enjoy the benefit of cheap raw materials. The Government says the price the companies charge their subsidiaries will have to be associated companies would charge in an arms-length deal. Within the EEC, however, no such arms-length deals exist. ICI is not an oil company subsidiary and it uses the oil-based naphtha as a petrochemical raw material not ethane gas. ICI pays 39p a therm for its naphtha. The chemical subsidiaries of Shell, Esso and BP are expected to pay well under 16p a therm for their ethane. Hence ICI's angst and the High Court writ. ICI's decision to issue the writ raises three major questions. Could the row jeopardise last month's restructuring/merger deal between ICI and BP Chemicals in plastics? Yes it could. ICI says there is no reason why it should but BP Chemicals said yesterday it could not comment. It would need to "look at the implications." The deal involves ICI swapping its UK polyethylene plastics business for BP Chemicals' PVC operations—after various plant closures have been made. It also involves ICI taking an extra 30 per cent share in a major ethylene plant—ethylene is made from ethane or naphtha—at Wilton on Teesside which has hitherto been owned on a 50/50 basis by the two companies. BP plans to convert part of its own, wholly owned, ethylene plant at Grangemouth in Scotland to take ethane feedstock. But if it cannot obtain the low-priced ethane it has been banking on as a result of ICI's legal case, it may have to think again about handing over the further 30 per cent share of the Wilton plant. It might also have to reconsider its plans for the whole of its Grangemouth chemicals complex. And that could threaten the entire deal with ICI. Does the ICI writ place the Government in a bind? Yes. And it looks like it will. It also looks as if ministers have dug in themselves, shovelful by shovelful. If ICI wins its case, the oil companies' chemical subsidiaries will have to pay much more for their ethane than they had bargained for. Shell and Esso, as a result, are likely to cancel their £500m petrochemicals project at Mossburn in Fife, which is to be fed with ethane gas. BP Chemicals is likely to shut large parts of its Grangemouth complex. Threatening to close Grangemouth and abandon Mossburn was how the three of them wrung the tax concessions out of the Government in the first place. If ICI loses the legal case, however, it could decide to shut down its Wilton complex with the loss of 9,000 jobs. ICI has stressed that there is a threat to Wilton in the longer term. Ministers are saying privately that they are sceptical about the possibility of Wilton closing. But they could be wrong. The hand of John Harvey-Jones, who took over as ICI's chairman in April, can be seen in the issuing of the writ. It was he who masterminded ICI's drastic trimming of its fibres operation and he is not a man for backing down quietly, agreeing to uneasy compromises or issuing empty threats. Will the writ have constitutional implications? Yes it could—particularly if ICI wins its case. Similar actions could be brought by others both in the UK and in other Common Market states. Europe's hold over the domestic affairs of Britain and the other nine EEC countries could be tightened.

GOVERNMENT BORROWING £1.2bn IN JUNE Spending may be up on forecast

BY ROBIN PALLEY

THE Government borrowed £1.2bn in June and there are signs that government spending may be running at a higher level than forecast. Figures published by the Treasury yesterday show that June's borrowing figure brings the cumulative total for the first three months of the financial year to £3.14bn. In June last year the government's monthly borrowing figure was £2.37bn and the cumulative total was £7.42bn, but these 1981 and 1982 figures cannot be compared as tax revenues were sharply down last year because of the civil servants' strike. The Budget estimate for

central government borrowing in 1982-83 is £9.3bn and it is still too early to estimate whether the figures so far are on target. The total public sector borrowing requirement in 1981-82 undershot the Budget estimate by some £2bn, indicating that the financial screw had been tightened more severely than the Government intended. Revenues into the Government's consolidated fund—the biggest component of official receipts—totalled £17.26bn in the first quarter, including taxes and customs and excise duties. That is an increase of 42 per cent on the 1981-82 figure compared with a

CENTRAL GOVERNMENT BORROWING REQUIREMENT (£m)
January 2,214*
February 81
March 573*
April 815
May 1,117
June 1,199
Repayment

Source: Treasury
Budget projection of an 8 per cent increase over the whole year, but again last year's figures were badly distorted because of the civil servants' strike. Consolidated fund expenditure, including spending by government departments, totalled £6.64bn in June,

bringing the first-quarter total to £20.95bn, a rise of 10 per cent on last year. This puts government spending substantially ahead of the Budget forecast for the year, which is a rise of only 7 per cent to a total £90.89bn. Within the quarterly consolidated fund expenditure supply services were £18.84bn, 11.5 per cent higher than last year's figure compared with a Budget forecast of a 9 per cent rise to a year-end total of £81.37bn. The distortions of the Civil Service strike are nearly over, although the backlog of delayed taxes probably will not have finally trickled in until the autumn.

Hopes of rescue bid for Manx bank fade

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

HOPES that the Isle of Man Government could launch a rescue operation for Savings and Investment Bank of Douglas, were receding last night. The bank had its licence withdrawn on June 25, and its doors remained closed yesterday despite assurances given in the High Court in London last Friday that it would re-open this week. Auditors for the Manx Government have been conducting a thorough investigation of the

bank's affairs this week and they reported back to the island's Finance Board at a secret meeting yesterday afternoon. The Government now has all the information it feels it needs and on Monday will approach some of the major UK and other clearing banks which have had dealings with SIB to see if they will help in the rescue. It was admitted in Douglas last night that this was something of a long shot. It is

understood that Barclays Bank, on which hopes were initially placed for co-operation in a rescue bid, has not indicated it will help financially. A statement on the future of SIB is expected to be made in Tynwald, the island's parliament, on Tuesday by Dr Edgar Mann, chairman of the Finance Board. If the Government is unable to get any commitment from the banks by then, he is expected to announce that the rescue bid has failed.

The Manx Government has taken the view that if it is to participate in a rescue operation it needs an injection of funds from other banks and an undertaking by substantial depositors to defer calling for repayments. The problems which led to the revoking of the banking licence emerged last month as a result of litigation between SIB and Gasco Investments, in which each side sued over a £5.5m facility.

Midlands tank maker announces jobs loss

By Lorne Barling

ALVIS, the Coventry-based light tank manufacturer which won a Queen's Award for Exports earlier this year, is to make nearly a quarter of its workforce redundant. The company, sold by BL to United Scientific Holdings for £27m in September last year, had completed a major Ministry of Defence contract. This was for supplying an undisclosed number of Scorpion light tanks to the Army, which has not renewed the contract. Alvis said the cut was not unexpected, but it now relied on exports. However, union leaders were surprised at the company's announcement of 364 redundancies of production and administrative workers out of a workforce of about 1,800. Until yesterday Alvis was one of the few major companies in the Coventry area which had not reduced its workforce since the start of the recession, but the company said no further cuts were likely. "Our exports, which are sold through the Government Defence Sales Organisation, have increased very substantially in the past three years, which led to the Queen's Award," the company said. This had not been sufficient to offset the impact of the Ministry of Defence contract's completion, but renewed efforts had been made in foreign markets because the work shortage was expected. New export contracts were anticipated, but at present the company had little alternative work other than the servicing of Leonidas and Avco-Lycoming aero engines. United Scientific, which manufactures a range of optical instruments, supplies Alvis and other military vehicle manufacturers with sighting equipment for guns.

MPs welcome video piracy Bill and seek bigger penalties

BY IVOR OWEN

BIGGER PENALTIES to curb the growing video piracy industry, of which London is a main centre, were demanded from both sides of the Commons yesterday. Mr Iain Sproat, Under-Secretary for Trade, said the estimated "illegitimate turnover" of the industry in Britain was £100m, "an enormous sum of money and I think that may be an underestimate." He believed more than three in four video cassettes on the market infringed copyright law. The Copyright Act 1956 amendment secured a third reading unopposed. It puts the onus of proof on traders to show they are not in possession of infringing material which breaches copyright. A Private Member's measure sponsored by Lord Fletcher (Lab), it has been approved by the Lords and now awaits Royal Assent. MPs on both sides of the House welcomed the Bill but warned that without further action to increase penalties it was likely to have little practical effect on video pirates making vast profits and threatening the British film industry. Mr Sproat emphasised that the Government intended to introduce more comprehensive legislation on copyright. The first step would be to study responses to a recent government Green Paper on the issue. These had to be submitted by August 31. There would then be a further period of consultation with Britain's EEC partners. It was hoped this would lead to the ultimate harmonisation of copyright laws throughout the Community. Mr Sproat envisaged consultations embracing satellite broadcasting, including those by cable companies, with a view to rationalising all law concerning the British film industry. He hoped the Bill would make it easier for collectors to suppress video piracy but admitted: "I would wish in many ways that so great and growing a criminal industry could be dealt with by punishments that fitted the crime rather better." Mr Sproat agreed to look into a suggestion by Mr John Fraser, who supported the Bill on behalf of the Opposition, that a coding system should be introduced by makers of video recordings so detection of those infringing copyright could be more effective.

Act to control advertising of cigarettes 'unlikely'

BY IVOR OWEN

THE LONG campaign by Mr Laurie Pavitt (Lab Brent South) to curb more effectively the advertising and promotion of cigarettes is now highly unlikely to yield a private member's Bill which will find its way to the statute book. Mr Pavitt said he had virtually abandoned hope of such an Act after the 16th of his Bills on the matter failed to secure a second reading yesterday. He repeated in the Commons his accusation that tobacco companies were using "backdoor methods" to avoid the ban on cigarette advertising on television through sponsorship of sporting events and use of video cassettes. He reaffirmed his belief that the recent departure of Sir George Young as a junior Minister at the Department of Health meant that there was now little prospect of legislative action by the Government. Mr Pavitt described himself as a "very small David" against multinational and international Goliaths. To cheers from Labour colleagues, he insisted: "I do not believe it should be 'Tobacco Industry Rules OK'. This House of Commons should decide." He cited the recent BBC television coverage of the world snooker championship as an example on how the ban on television advertising of cigarettes had been circumvented. It had been calculated, he said, that the cigarette company which had sponsored the championship, at an estimated cost of £100,000, had obtained a level of exposure on BBC television which would have cost £3m on the commercial channel. Another example of the "back door" being used to secure television exposure for cigarette advertising occurred, Mr Pavitt said, when the women's tennis champion of Wimbledon was interviewed while she wore a blouse with an emblem carrying the name of a well-known brand of cigarettes aimed at women. He described his Bill as an enabling measure which would have permitted ministers to take powers to control the advertising and sponsorship activities of the tobacco companies. Mr Michael Colvin (Con, Bristol NW), who said he had a strong constituency interest but no financial interests in the tobacco industry, defended the existing arrangements by which there was self-regulation through voluntary agreements.



Customers at Harrods store rush for china and glass bargains at the end of season sale which started yesterday

Petrol war 'a fleeting pleasure'

By Ray Dafter, Energy Editor

MOTORISTS should regard the petrol price war as a fleeting pleasure rather than a lasting joy, a senior Esso executive warned yesterday. Mr Mike Lewis, divisional director for retailing, said in Swansea that much of the new competition stemmed from the oil industry's investment in modified refinery capacity. It was now possible to produce a higher proportion of petrol from a barrel of crude oil. This extra petrol was hitting the market at a time of static demand. "This means that today many companies which invested heavily in conversion equipment to make more petrol are finding it hard to hold on to or increase their share of a cake which is not getting any bigger," Mr Lewis told an invited audience. He indirectly referred to Conoco which has said it will price petrol at its chain of Jet stations 1p a gallon below competitors. Mr Lewis said Esso must protect its dealers and its interests by keeping its prices competitive. The move by major companies such as Esso, Shell and British Petroleum to match Jet station prices in parts of the UK has led to some charges rumbling well below the basic price for four-star petrol of about £17.8 a gallon. The Government yesterday formally severed British National Oil Corporation's financing links with the National Oil Account as a prelude to the break-up of the state undertaking. BNO's trading operations are to stay in state hands.

Rented building approvals

BY WILLIAM COCHRANE

THIRTEEN new companies have been approved for construction of new buildings for agreed rents, not subject to the 1977 Rent Act, under the Government's assured tenancy scheme. In answer to a Parliamentary question, Mr John Stanley, Minister for Housing and Construction, said that the companies newly approved were additional to eight bodies already approved under the scheme. He also set out the criteria for approval. The list of bodies already given the green light includes the Abbey Housing Association (sponsored by the Abbey National Building Society), the Prudential Assurance Company,

building concerns such as Wates, and Rushey Development which is a subsidiary of Rush and Tomkins. Companies newly approved include the housebuilder, Barratt Developments. A further 10 applications are under consideration. On criteria for selection, Mr Stanley said bodies seeking approval under the assured tenancy scheme must satisfy the Environment Secretary that the applicant was a reputable body which would manage homes for rent efficiently, responsibly and with proper regard for the welfare of their tenants; and would also carry out satisfactorily their statutory and contractual obligations as a landlord.

Urban grants earmarked

BY WILLIAM COCHRANE

GOVERNMENT encouragement of architects wishing to help local communities in improving buildings and environment in their areas was confirmed yesterday by Mr Tom King, the Local Government Minister. He said Urban and Economic Developments and Inter-Action Trust would be the first two organisations to receive grants from the Government's new Urban Initiatives Fund. Speaking in London at the Royal Institute of British Architects' conference on community architecture, Mr King said the fund is aimed at helping to bridge the gap between the ideas which local people might have for improving their

environment, and the technical skills and expertise that they may sometimes lack. The Government will match point for pound well-founded locally devised schemes or services, he said. Urban and Economic Development, operating in the Greater London area, will receive £13,500 to assist neighbourhood groups work up firm proposals for projects which can then be submitted to a funding body. Inter-Action Trust will receive £14,500 for a project called Neighbourhood Use of Buildings and Space. It will increase the range of advice it gives to self-help neighbourhood groups across the country.

Argos chief moves to Littlewoods board

BY LISA WOOD

MR TOM McAULIFFE, chairman and chief executive of the Argos discount stores chain, is next month to join Littlewoods, the pools, mail order and stores group, as managing director of the chain stores division and a member of the main board. Mr McAuliffe, 47, has built

up Argos since it was launched in 1973 with 17 stores. It now has 130 stores with a turnover of more than £200m. The appointment is another sign that Littlewoods is strengthening its management team. In February Mr John Clement, chairman of Unigate and a non-executive director of

Littlewoods since late last year, took over as non-executive chairman. The first outside director of the family-owned company, Mr Michael Julien, finance director of BICC, was appointed last September. Sir John Moores, who founded the company 55 years ago, retired as chairman in February.

Before becoming managing director of Argos Mr McAuliffe was chief executive of the Green Shield Trading Stamp Company, which he joined in 1960. In 1979 Argos was acquired by British American Tobacco and Mr McAuliffe also became a director of BAT stores.

Ray Maughan looks at the fight to take over a state business

The Berisford British Sugar bid saga

THERE CAN be only a very few deals which run the gamut of Government disposal, European Commission examination and, not least, a Monopolies Commission investigation, but the success of S & W Berisford's cash bid for the British Sugar Corporation, worth £283m, was never in much doubt. Berisford started with certain strong advantages. Its initial bid overtures were put forward when the London stock market displayed a marked propensity for selling out of British industry at the drop of a breakfast invitation. "Dawn raids" were one of the dominant features of this bitterly opposed sugar merger. A Monopolies Commission reference would in very many cases throw up too high a mountain for many prospective bidders, but Berisford lived through a reference period and was perhaps fortunate that the commission's conclusions were particularly tepid. Certainly the Office of Fair Trading, which referred the terms at the outset, still seems unhappy with the final outcome. It helped the bidder that a

significant Government stake was never dominated by much more than a crude mathematical formula for getting out of the investment. Berisford was also helped by reluctance of the European Competition Directorate to become more than marginally involved. There is a remote possibility that fraud evidence from British Sugar and a third party might freshen the minds of the European Commission, but the heat-producer itself seems to take this as a very long shot, and there must be a serious question as to how the Commissioners can react to a fait accompli in a member-country. But most of all, British Sugar helped dig the foundations of Berisford's victory. A dawn raid—yet another—on the shares of Ranks Hovis McDougall was designed to make BSC less digestible to Berisford. The deal looked smart enough, in the few days before RHM reacted in kind and took a corollary 10.5 per cent holding in British Sugar. It seemed like fool's mate at the time, but a holding on such a scale was plainly bound to in-

fluence Berisford's way forward from a residual 40.03 per cent stake. Berisford needs its shareholders' approval to pay £169m in cash for the outstanding British Sugar shares. The bidding opened on May 12 1980, when British Sugar was reporting annual pre-tax profits of £22.2m, but the board, headed by Sir Gerald Thorley and run by Mr John Beckett, was starting to point out the advantages of heavy capital investment, substantial cost reduction and of a commanding 52 per cent share of the UK white sugar market. Berisford's sighting shot was worth £121m. It had built up a 9.98 per cent holding and put a mixture of cash and shares on the table. British Sugar fought hard through that spring and would have taken much solace from the decision to refer the bid to the Monopolies Commission in June. Early in July 1980 Berisford launched a £25.5m rights issue. Normally the commission would have reported its findings within six months, but the authorities took nine.

While four independent sugar merchants, complaining to the European Commission about British Sugar's alleged use of power in the market under the Treaty of Rome, alerted the defence to the assumed potency of the European dimension, the Monopolies Commission gave Berisford, in effect, a clean bill of health. Within the month of the March 1981 decision, by the monopolies commission, Berisford was back with a bid worth £182m, or 28.5p per share. British Sugar fought these terms as vigorously as ever and forecast pre-tax profits of £49m for the year to September, 1981. By May Berisford raised its terms by 18 per cent, to just over £200m, or 35p a share, the "top offer," it said. On June 12 there was a stock market raid on British Sugar's shares. Berisford bought a 22.5 per cent holding at the bid price. That, with bid acceptances, gave 39.29 per cent. Stretched tantalisingly before it was the Government's mechanistic formula for a sale of its own 24 per cent stake provided Berisford's holding reached 42.6 per

cent of the votes. The next few days were to prove nerve-racking on both sides as Berisford's stake crept within a few percentage points of the Government sale commitment. For British Sugar, cracking a few bottles of champagne to celebrate, nemesis was avoided. Berisford fell just short. Under the rules of the Take-over Code the commodity merchant had to wait a full 12 months before launching any new offer. The deadline was July 2 1982. British Sugar never forgot that its adversary was sitting on 40.02 per cent of its equity. On July 23 the Government forsook in sale commitments undertaken during the bid and placed its stake at 30.5p. This disposal raised £44m. But November was to see the critical transactions. British Sugar looked bent on a full bid for RHM when it acquired a 14.4 per cent stake, another dawn raid at £27m. RHM elaborately turned the holding alone let Berisford into British Sugar holding. This tables, taking a 10.5 per cent completa control.

National Theatre puts off private cleaning plans

BY LISA WOOD

THE NATIONAL THEATRE has postponed plans to assign its cleaning to a private contractor. It is estimated that this would have saved £60,000 on the cleaning bill of £174,000. Last month the ruling Labour group on Greater London Council threatened it would stop its annual £690,000 grant to the theatre unless it abandoned such plans. Earlier this month the council withheld its quarterly grant instalment of £175,000 to the theatre, due on July 1. Mr Tony Banks, chairman of the council's Arts and Recreation Committee, suggested that payment of the grant be resumed on a month-by-month basis until a decision was made by the theatre. The National Theatre emphasised yesterday that the postponement was because of the unanimous rejection of the plan by the 38 cleaning staff and their union, the National Association of Television, Theatrical and Kine Employees, which represents some 350 members of the theatre's staff. A theatre spokesman said that the theatre since its opening had settled into a better relationship with the union, and if the union unanimously rejected the proposal the theatre had to respect that decision. "We are now looking into other possible efficiencies and savings within the in-house cleaning department." The theatre originally adopted the proposal in response to an impending deficit of £140,000. Last year it made a small surplus on total costs of £10.38m.

UK NEWS

SDP puts its views on education

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

NURSERY SCHOOLING on demand, the retention of independent schools, and sweeping changes both to examinations and to further and higher education were promised by the Social Democrat Party yesterday in a discussion document on its education policy.

Although extra public money for education would probably be available only in the longer term, the document says early improvements could be made by reinvesting savings made possible by the continuing drop in the child population.

The key to the policy would be to enable an SDP Government to set clear objectives for different parts of the education and training network and to check that the relevant objectives were being pursued by the various local education authorities, universities and other bodies concerned.

The local authorities would be required to publish in detail their policies on, for example, providing nursery teaching within five years for all children whose parents wanted it and also to publish annual reports on how the detailed plans were being put into force.

Universities and other higher educational institutions would be required to operate within "overall guidelines laid down by the Government" which

would be backed by the threat of loss of funds.

Abolition of independent schools could entail losses of educational quality and individual freedom unacceptable to Social Democrats. But private schooling needed to be made less exclusive and to be prevented from conferring unfair benefits.

The fiscal advantages available to independent schools and the financial devices open to their pupils' families would be reviewed. The schools would again be made subject to state inspection. And university admission procedures would be reformed to eliminate any unjustifiable favouring of private school pupils.

But the SDP would also encourage closer co-operation between independent schools and the state sector, particularly in providing for pupils over the compulsory school age of 16 and for children who needed boarding education.

The Central Advisory Council on Education in England and Wales and in Scotland would be re-established, "as would the Schools Council, and one of the first tasks of the advisory council south of the border would be to examine whether there was any real need for the national 16-plus examinations.

The need for them would

grow more doubtful with the extension, also supported by the SDP, of training for 17 and 18-year-olds on the lines advocated by the Youth Task Group of the Manpower Services Commission and approved by the Government last month.

In addition, the party's ambitious proposals for the longer-term integration of all kinds of provision of education and training for people aged over 16 imply the eventual abolition of GCE A-levels.

"It must be our aim to create a co-ordinated national framework combining recognised grades in both education and training with an interlocking system of assessment and certification," the document said.

The framework would include graded tests, covering different areas of study and skill. The "credits" gained by passing the tests would be nationally recognised and usable as qualifications for entry to further courses, even in universities.

People leaving school would probably be given "prizes" for their achievement, recording personal qualities not measurable by more conventional examinations.

All who wished to continue full-time education after reaching 16 would be entitled to a means-tested allowance based on the current rate of supple-

mentary benefit. At 1982 values, the rate would probably be about £25 a week.

In the longer run, grants should be provided at a level which would encourage adults to re-enter further education and training. In the meantime, adults' course fees would be made tax-deductible.

Higher educational institutions would be freed immediately from the present restrictions on the number of British and other EEC students they may admit, and fees for foreign students would be lowered.

But there would be an urgent review of higher education as a whole to examine whether the distinctions between universities and polytechnics should be abolished, and whether there should be fewer narrowly specialised, honours-degree courses.

The system of financing research in universities would be radically changed to give less encouragement to fundamental research and more to strategic and applied research, and to fund only the best university departments. It is possible, the document says, that some universities would cease their research activities altogether.

Foundations for the Future: An Education and Training Policy; SDP, 4 Cowley Street, London SW1P 4NB, £1.

LABOUR

BA confirms need for large fleet of 757s

By Michael Dome, Aerospace Correspondent

BRITISH AIRWAYS has reaffirmed its need for the fleet of Boeing 757 jet airliners it has on order and which are due to be delivered from early next year.

This follows the announcement last week of a deal which provides for two of the airliners destined for BA to be passed to the independent Air Europe instead. Mr Roy Watts, group managing director, stresses to staff in the airline's weekly newspaper that the Air Europe deal will release "a very substantial sum of money—some £20m this year and about the same again next year."

BA had 19 of the 757s on order; it will now take 17, with the other two going to Air Europe.

Fowler expected to underline his stand on health service pay

BY BRIAN GROOM, LABOUR STAFF

MR NORMAN FOWLER, Social Services Secretary, is expected this weekend to underline his refusal to make further compromises in the 11-week-old National Health Service pay dispute.

The Government has increased its earlier 4 to 6.4 per cent pay offers to 6 to 7.5 per cent, but unions are still seeking 12 per cent rises.

Mr Fowler was jeered by pickets yesterday when he visited St Thomas's Hospital, Lambeth, to see how it was coping with a strike by 25 employees in the sterilising and supplies department. They have been on strike for two-and-a-half weeks, but emergency cover has been maintained.

"It is sheer hypocrisy to pretend that their action is not affecting patient care," he said after his visit.

"The action has closed six wards, including a children's ward, and caused the cancellation of over 1,000 operations. Already it will take six to nine months to make up the backlog."

The unions should return to the Whitley Council negotiating table, he said. Their claim was for pay rises double those provided for the armed forces and thousands of other people in the public service.

A negotiating meeting of the Nurses and Midwives' Whitley Council is planned for Tuesday but the TUC unions will walk out as soon as pay is reached on the agenda.

Strikers at eight Liverpool hospitals yesterday called off a two-day stoppage over the sacking of a shop steward. The action, which left the city without full emergency cover, could flare up again, however.

The dismissal of Mrs Isobella Tracey for allegedly assaulting a non-union domestic worker who refused to join a strike will now be the subject of an appeal.

About 100 ancillary workers at Papworth Hospital, Cambridgeshire, were heart transplants carried out are to stage a one-day stoppage on July 20 in support of the health service dispute. They will provide emergency cover.

Mine managers' union appoints MP spokesmen

BY JOHN LLOYD, LABOUR EDITOR

THE British Association of Colliery Management, which organises the 17,000 managers and senior executives in the National Coal Board, has appointed two parliamentary representatives — both Labour MPs.

The association has bitterly criticised the Government's attitude to the public sector, and intends to campaign more openly and vigorously for an extension of the coal industry.

The decision, taken in principle by the association's conference earlier this year, means it will have a voice in the Commons for the first time. It might also mean its traditionally apolitical stance being called into question — though the union insists that it intends to remain a political neutral.

The two MPs appointed represent Yorkshire seats. Both were members while industrial relations officers for the National Coal Board. They are Mr Geoffrey Lofthouse, MP for Pontefract and Castleford, and Mr Alan McKay, MP for Penistone.

Both men have said that they do not want a fee from the association, though they will receive expenses. Their status as union representatives will allow them access to relevant committees, joining the 15-strong Mineworkers' union group in the Commons.

Mr Norman Schofield, the

Manchester airport in strike threat

By Nick Garnett, Northern Correspondent

SERVISAIR ramp and aircraft-cleaning workers at Manchester airport are threatening a strike for Monday in a pay row which could also affect the company's operations at other airports.

Servisair is a subsidiary of British and Commonwealth Shipping. It conducts ramp and cleaning operations on more than half the flights serving Manchester.

The company said that if the strike went ahead the amount of disruption to flights, mainly package holidays, might depend on the level of sympathetic action taken by other airport personnel including baggage-handlers.

The same pay offer of just under 8 per cent has been made to other Transport and General Workers' Union employees of Servisair at Newcastle airport, Edinburgh, Glasgow, Belfast and Stansted.

Mr Wally Caulfield, Servisair managing director, said there could be some form of action by Servisair workers at one or two of these airports though their general response to the offer had been much lower key than that of union officials at Manchester.

The company met union representatives yesterday. It repeated that the offer was final but said it was prepared to reorganise the package on the basis that no extra cost would be incurred. Further meetings are likely this weekend.

The company said: "If the union does go ahead with strike action we shall make every endeavour to ensure flights continue to operate. In some cases this may involve diversion to other airports."

Servisair has been in touch with the Advisory, Conciliation and Arbitration Service.

The company handles an average of 430 flights a week at Manchester. Much of this is package-holiday traffic with Britannia, Air Europe, Orion and Monarch.

Union opposition grows to bank Saturday work

By Our Labour Staff

BARCLAYS BANK may face the threat of industrial action by both its staff unions over its plan to open 400 branches on Saturday mornings this autumn.

The executive of the Banking, Insurance and Finance Union, representing 15,000 of Barclays' 70,000 staff, will consider a ballot on action when it meets on Tuesday and Wednesday.

The bigger organisation Barclays Group Staff Union, has already said it will discuss a similar ballot at a meeting of its general committee on Tuesday.

Opposition to Saturday opening has been confined to a vigorous campaign to dissuade members from volunteering for Saturday work.

The unions have not said what form action may take, but backing on Mondays of Saturday-related work is one option.

Barclays began its first count of volunteers yesterday, and thinks it is well on the way to the 8,000-10,000 staff pool needed to carry out its plan (even without union approval).

Insufficient volunteers have so far come forward in a few areas, mainly big towns, but the full plan is not due for implementation till September 11.

NUM is in vanguard of struggle, says Scargill

BY OUR LABOUR EDITOR

MR ARTHUR SCARGILL, president of the National Union of Mineworkers, concluded a remarkable week in his own and his union's history by telling radio listeners that he was the NUM as "the vanguard in the struggle against the Conservative Government's economic policies."

He also warned that the union could seek to negotiate at shorter intervals than the annual pay round—necessary, he said, to maintain standards of living.

Interviewed yesterday on the Jimmy Young programme on Radio 2, he said the Government's offer of financial assistance will do little to help ratepayers. The offer was to pay three-quarters of all additional costs over and above the amount produced by a penny rate.

"Few, if any, local authorities overspent by that amount on snow clearance. They will, therefore, not enjoy any benefit from the offer of government funds," says the survey.

The North of England was hardest hit with snow clearance costing local authorities £20m, a rise of 37 per cent over budgeted allocation of £16.6m. In the Midlands, expenditure at £17.4m exceeded the budgeted figure of £7.7m by nearly 125 per cent and in the West and Wales expenditure at £17.7m was £10m—120 per cent—higher than the budget allocation.

"Snow clearance in the South East cost just over £13m and was nearly double the budgeted figure of £6.6m. Scotland was closest to its forecast, with actual costs of almost £13m only £1.2m higher than the budgeted figure.

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He repeated his rejection of employment legislation and his willingness to be imprisoned for resistance to it.

He criticised Mr Michael Foot, the Labour Party leader, when he said: "He is not quite measuring up to the philosophy of the socialist vision that I have and he had 15 years ago."

He said the NUM conference, which took place this week in Inverness, had been "a great success." The conference demanded a 31 per cent wage increase, protection of earnings and early retirement and expressed militant opposition to pit closures.

It also saw the virtual disappearance of the once dominant right-wing.

Dock still at standstill

BY OUR LABOUR STAFF

THE PORT of Liverpool remained largely at a standstill for a second day yesterday because of an unofficial strike by 1,100 dockers employed by the main operator, the Mersey Dock and Harbour Company.

Only independent stevedores and the coastal section of the port were working.

Employers are optimistic that the dispute will be solved tomorrow when shop stewards are expected to recommend a return to work at a mass meeting.

Mr James Fitzpatrick, the company's managing director, warned that the port was fighting for its life, having lost

BT unions seek support

BY OUR LABOUR STAFF

THE British Telecom Union Committee has called on the TUC for full support in its campaign against government plans to privatise British Telecom.

Mr Bryan Stanley, committee chairman and general secretary of the Post Office Engineering Union, said yesterday: "We look to the TUC to express total opposition. If the press reports are true it appears that the Government is putting the nation at the mercy of private entrepreneurs."

The BTUC covers all six TUC-

affiliated unions representing about 250,000 BT employees.

Mr Stanley said privatisation would inevitably mean higher prices. He said it would not be in the national interest, BT provided the 999 service, the national defence and security communications network and a high-quality service to business and private customers.

The largest BT union, the 132,000-strong POEU, is committed by its annual conference to stop privatisation by indu-

Winter snow cost £92m to clear

By James McDonald

SNOW clearance operations during last year's severe winter cost local authorities almost £92m—about £2m, or 83 per cent more, than the amount budgeted for—according to an Automobile Association survey.

The AA points out, moreover, that the Government's offer of financial assistance will do little to help ratepayers. The offer was to pay three-quarters of all additional costs over and above the amount produced by a penny rate.

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Damages over leasing contract

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

R. P. MARTIN LEASING was awarded £61,332 damages in the High Court yesterday for the repudiation of an exclusive contract to arrange computer leasing finance in the UK.

The award was made against Mr Kevin Rogan, the American head of the IFM group, and two group companies, IFM Trading and IFM Funding.

Mr Justice Mars-Jones said that it was impossible to prove Martio's £92,000 claim for commission on certain specified transactions, but the company was entitled to damages for having been deprived, as a result of the repudiation, of the chance to earn commission. Two thirds of its claim was a fair recognition of that chance, the judge said.

He said that Martin specialised in brokerage transactions

to finance leases of such items as ships, aircraft and computers.

Mr Rogan, who used to be employed by IFM, sold and leased computers through companies he had set up in various European countries. He was an extremely wealthy man. His West German company, IFM Funding, of Düsseldorf, had made profits of £200m and his Belgian company profits of \$50m.

The judge accepted the evidence of Mr Peter Jaskowski, managing director of Martio, that Mr Rogan had personally entered, and subsequently repudiated, an agreement, to make Martin his exclusive broker to obtain finance from UK banks for IFM computer leasing on terms that Martin's commission would be 0.5 per cent of the capital cost

of the equipment involved in any successful transaction.

It was inconceivable, that Martin would have bound himself exclusively to Mr Rogan unless it were to have sole agency, the judge said.

He was equally satisfied that the agreement had been made with Mr Rogan personally, not with IFM companies. It is the judge said that Mr Jaskowski had been an attractive witness who had tried, to tell the truth. The same could not be said of Mr Rogan. "He was, in my view," prepared to tell me what he thought best advanced his case, irrespective of whether it was true or not."

An illustration of that had been his "desperate efforts" to persuade the judge that, despite appearances, he was not a man of substance," the judge added.

Falklands medals 'by Christmas'

GALLANTRY MEDALS for the Falklands campaign are expected to be awarded by Christmas.

Mr Peter Blaker, Minister of State for the Armed Forces, said yesterday.

There have been reports that up to six Victoria Crosses could be awarded for heroism in the South Atlantic but Mr Blaker refused to comment on them.

It was a matter for the Queen, he said but added: "There have undoubtedly been acts of the greatest heroism and skill performed by members of our armed forces."

"And there were acts of heroism by civilians too. I have no doubt that these will be recognised."

Mr Blaker said that legally the Falklands campaign was not a war in the sense of the Second World War, "but it will be treated as such as far as decorations are concerned."

A political storm is looming over the Government's decision not to grant special leave for servicemen in the Falklands Islands task force.

Mr John Silkin, Labour's defence spokesman, is to raise the matter with Mr John Nott, the Defence Secretary.

The Government's decision was made known in a Commons written reply by Mr Jerry Wiggin, Defence Under-Secretary, to Mr Frank Allaun, Labour MP for Salford West.

Yorks industry 'dead as a dodo'

BY NICK GARNETT, NORTHERN CORRESPONDENT

THE YORKSHIRE and Humberside region of the Confederation of British Industry said yesterday that the economy could not afford to wait until April for a major stimulus because in its region industry was as "dead as a dodo."

"There are signs that we are back into another recession before we've even come out of the last one," Mr John Denny,

chairman of the regional council, said after its bi-monthly meeting. It was quite clear there was no recovery imminent.

The economy needed a straightforward and speedy stimulus to demand, based on a cut in interest rates of 2 to 4 per cent, a further 2 per cent cut in National Insurance, a 15 per cent cut in local autho-

riety rates paid by companies and an injection of capital investment by the Government.

A number of companies at the meeting questioned the U.S. recession as one reason for the state of the UK economy.

Mr Denny said the CBI's earlier submissions on stimulating the economy and its assessment of what should be done had been proved correct.

Raymond Snoddy reports on a private health care venture

U.S. group opens British hospital

LAST SUNDAY the founder and chief medical officer of Hospital Corporation of America, the world's largest hospital management group, was in Solihull to open officially a 38-bed private hospital.

Dr Thomas F. Frist Sr spent part of American Independence Day in the West Midlands because it was the first private hospital opened in Britain by the company, which owns or manages 368 hospitals and expects to have a turnover of \$3.5bn (£2,050m) this year.

The first thing Dr Frist checked was that the beds were soft and the rooms attractive.

The opening of the Solihull hospital marked the sudden emergence of HCA as a company with private beds in Britain. It has been considering the British market since 1976 but has been actively looking for opportunities only for the past 18 months.

HCA United Kingdom, its British subsidiary, has now

spent or committed £25m to the move into Britain.

In May the company paid £14m to acquire a majority stake in six hospitals from Seltahar Holdings and Y. J. Lovell Holdings. Hospitals at Epsom, Surrey, Leeds and Solihull are already open. Three others at Southend, Brentwood and Blackpool are under construction.

The purchase was regarded by Dr Ronald Marston, chairman of HCA United Kingdom, as both a quick way into British health care and a way of testing the market.

It is also an indication of the company's strategy — build up a chain of provincial hospitals serving local communities with local management.

"We are not interested in the London health care market. We feel there is already over-herding in London and we do not want to add to it," Dr Marston said.

HCA United Kingdom's next

project is a \$5m 100-bed Chalybeate hospital in Southampton.

The plan attracted considerable opposition and led to the setting up of a Southampton Citizens Opposed to Chalybeate Hospital pressure group. But the planning application was passed by Southampton district council by one vote in February.

The first sod will be cut on November 1 and the hospital, which will carry out open heart surgery and possibly radiotherapy, will be completed in about 18 months.

The company has also applied for planning permission to build a £1m hospital in Edinburgh.

HCA, says Dr Marston, does not have a grandiose plan for immediate major expansion in Britain, but it believes the private health insurance market will grow by an average 10 per cent a year and that there is considerable scope for new private community hospitals of about 80 beds.

"We think that within the

next few years we should grow at the rate of one or two significant hospitals a year," Dr Marston said.

The company has already earmarked five or six potential locations to build hospitals.

Many in the British private sector have questioned whether Southampton can support a new 100-bed private hospital. Dr Marston says HCA research shows a current shortfall of 80 private beds in the Southampton area and a shortfall of 100 in two years when the hospital will open.

The company concedes, however, that it will probably be three to five years before the hospital will be financially viable. "We are here for the long haul. We want to contribute and we want to prove it," Dr Marston says.

If the company just wanted to make money, he says, the best place to invest would be in the U.S. The market it knows best. "We have committed ourselves to being an international health care company."

Dr Marston says he understands the widespread suspicion in the UK of profit-making health care companies, but when people realise good health care is being provided at reasonable cost this will diminish, as it has in the U.S. "We are not here to be parasites. We are here to do a good job."

The group is keen to co-operate with the National Health Service. It has approached the Southampton health authority to see whether a joint training programme for staff is feasible. The company plans to sponsor medical seminars and lectures and conduct "joint board" specialist training courses for nurses if it gets recognition from the professional bodies.

HCA United Kingdom is going to build up a video library of lectures by top UK doctors for in-house training. The tapes will be available to other hospitals at a nominal charge.

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Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 23.7.82 are fixed for the terms shown: Terms (years) 3 4 5 6 7 8 9 10 Interest % 13 1/4 13 1/4 13 1/4 13 1/4 13 1/4 13 1/4 13 1/4 13 1/4 Today's Rates 13 1/4 % - 13 3/4 %

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Telecom users challenge directory charge BY Guy de Jonquieres THE GOVERNMENT has been asked by the Telecommunications Users' Association to reject British Telecom's proposal to introduce a charge for directory inquiry services.

Sealink pay strike could spread

BY DAVID GOODHART, LABOUR STAFF

THE WEEK IN THE MARKETS

Attention held by money rates

Nothing seemed to dent the optimism over UK interest rates which gripped the market all week. Not even Arthur Scargill taking up the reins as president at the miners' annual conference and stirring his troops into action in pursuit of a 31 per cent wage claim upset the happier mood.

It all began with reports that the Treasury hoped to edge domestic interest rate downwards. These were soon supported by Bank of England action in the money markets. This was enough to push the FT Industrial Ordinary index 5.6 higher to 554 on Monday—a level at which it was to stay with little variation before ending the week 1.3 up at 552.7.

Later the market began to quantify its hopes as being for a 1 percentage point cut to 12 per cent in clearing bank base rates. A view that the authorities, and a shading downwards in the Bank of England's intervention rates, did not dispel.

On Thursday the Bank gave a more positive signal by making a point cut in the rate at which it supplies assistance to the money markets by buying very short dated bills from the discount house. The last time the rate had moved was June 8 when base rates were reduced to their present level.

Meanwhile less well founded speculation over U.S. interest rates was triggered by the heavy selling of American bank shares on Wall Street, which caused the U.S. authorities to raise rates to help liquidity in the hard-pressed banking sector.

This, together with other international uncertainties, probably contributed to the firmer trend held by sterling against most currencies and to its recovery from a midweek low of \$1.701, it rallied to \$1.721—a swing that provoked no reaction in equities.

Nor was much attention paid to the Aslef dispute which, despite encouragement to strike breakers by British Rail and media reporting, shows signs of being more enduring than last week's NUR forerunner.

LONDON ONLOOKER

The easing of European interest rates together with more favourable U.S. money supply figures did stimulate gains which continued the previous week's progress lifting the FT Government Securities index 1.05 on the week to 10.44.

There was little enthusiasm for oil shares in a week when the end of March was enough to quell a forecast price war in Tenergy Wells; proved a more effective stabilising force than Opec in its failure to agree on a production ceiling.

However, a 23 per cent pre-tax profits increase by Imperial Continental Gas Association to over £41m and a 15 per cent dividend rise for the year to the end of March was enough to raise its shares 7p to 189p.

One of the market's worst performers was Guinness Peat, the commodity trading group, whose shares fell 10p to 49p. A week ago it announced a £15m provision against losses arising on the Californian tyre business it had helped finance. It also disclosed the sale of its commodity broking side in an £11m deal.

But the bitterest note of all was sounded by Quest Automation, whose share price dived 56 per cent in a week to 25p before rallying to 32p on bid speculation. In July last year the NZB paid £2.5m, equivalent to 190p a share, for a stake in this small computer company which has since reported a £1.5m midyear loss.

Electricals charge

The stillness in the City this week, brought on by intermittently long traffic jams and the stuffy weather, was neatly counterpointed by an effervescent mood in the electricals sector.

At the start of July, the covenant against trading in half of Ferranti's shares was removed and the bid gossip

began to build. Ferranti's share price took prompt notice. By this weekend, it was trading at around 310p or 65p higher than its level three weeks ago when it unveiled a 31 per cent increase in pre-tax profits for the year to March.

Not all the excitement stems from hopes for a bid. This afternoon the Falklands fighting and the prospect of more lavish spending by the Ministry of Defence provides even more to bid about. As most companies are still limping through the recession, the go-ahead hum among electricals has given the shares even bigger premiums. Since April, their athletic out-performance of the All-Share Index has moved into overdrive. (See chart.)

Both Ferranti and Plessey published their 1982 accounts this week. The protestations from Heald and Keymer aside, their current cost statements make interesting reading. They emphasise that the sector has been aided by the underlying fall in component prices, plus rising order books and the cost efficiencies of electronics. Ferranti has held its growth in capital employed to just 18 per cent but has managed to wring a 56 per cent increase in current cost trading profits out of it. Plessey has done equally well and a five-year CCA history shows that earnings before extraordinary items have climbed nearly four-fold. The result has been an enviable build up in resources for both companies, a phenomenon which is running almost throughout the sector.

Ferranti would gain proportionally more from an increase in defence spending than Plessey, but despite these and other obvious attractions, no suitor has stepped forward. GEC, Plessey and Rcal would be contenders for Ferranti's hand, but with a price tag of some £400m tied firmly around it the gossip could be hubbub for some time to come.

Imps bound

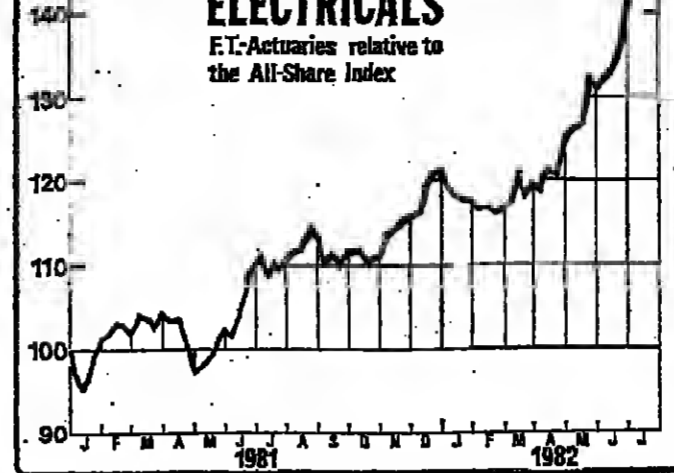
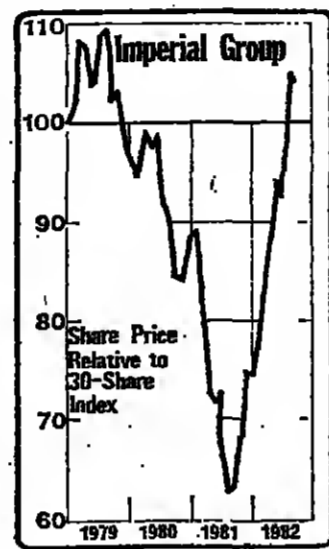
How the City has changed its mind about Imperial Group over the past year. Last summer

Imps' share price was grinding along below 60p. The chairman had resigned after a shocking set of interim figures and the dividend (wrofully as it turned out) letting the historic yield creep up to 20 per cent.

Since then new management has been chopping away at the dead wood to the growing enthusiasm of the City. The price has now bounced back to 100p where, surprisingly, the yield is still in double figures.

This week's half time results, showing pre-tax profits back to £65.8m against £29.7m, may justify some of that new found confidence though by historical standards the performance is far from outstanding. Before last year's disaster the half time norm was around £70m and despite the recent surgery Imps' problems are a long way from being over.

The interim figures are hardly straightforward. They have been flattened by £2.3m thanks to a change in the depreciation policy. But more importantly Imps has seen fit to reduce interim tobacco profits



from poultry thanks to the egg price rise. Of course poultry has since been axed and though this has been done just when the recovery is coming through it does rid Imps of a highly cyclical operation. The remaining food interests look capable of profits of £25m a year.

While Imps has completed much of the desperately needed reorganisation it now has to drag some growth out of its remaining businesses. And there are still losses from Howard Johns to provide haunting doubts about Imps' ability to make the right acquisitions.

BP in Alaska

British Petroleum's share price has been looking soggy ever since the re-determination of the ownership of the Alaskan Prudhoe Bay field at the end of last month. This week the shares found a new low point of 266p—53p below the year's best.

Sohio's interest in the field has been cut by 21 percentage points to 50.414 per cent. The changes are back-dated to the beginning of the field's life and will prove crucial to BP's profits over the next couple of years. Moreover this is the last adjustment to ownership of Prudhoe so there is no hope of any claw-back.

For Sohio (53 per cent owned by BP) the move means a cut in its share of production from 695,000 barrels per day to 880,000. But because of Sohio's overlift in earlier years it is going to take a further cut of 75,000 bpd for the next two years.

The group then goes on to forecast that profits in the coming six months will be similar to last year's £76m. In other words they would be well down without Imps' self confessed joggling with £10m from tobacco.

Looking at the trading breakdown the absence of launch costs on John Player King Size has helped tobacco profits to rise £18m to £43.8m. Direct price cutting has been more limited though discounting has continued in a different fashion. Imps has been offering its customers longer lines of credit and interest costs have been held up at £22.6m—a fall of just £2.8m—despite the much improved balance sheet.

The brewing division has kept up a resilient performance with profits £51m higher at £28m in the face of volume pressures. Food profits meantime have shot ahead by £15m to £16.4m, largely as a result of loss elimination and much higher profits

New look LRC

Among the week's top shares was LRC, best known as the

maker of Durex contraceptive sheaths, where pre-tax profits climbed £2m to a record £9m for 1981/82. The growth highlights the major transformation that the group has undergone over the past two years. A new management team took over in 1980 after years of indifferent performance by a company that was becoming a shining example of how not to become a conglomerate.

The problems stemmed from moves to reduce the group's dependence on sheaths after a damning report from the Monopolies and Mergers Commission seven years ago. That called for a 40 per cent cut in prices.

LRC embarked on a buying spree that brought in products that read like a family's non-food shopping list. They ranged from toiletries, health and beauty aids and leisure goods to paint brushes, screwdrivers and cigarette lighters, taking in such household names as Wrights coal tar soap Galloways cough mixture and Elsan disposable lavatories.

Unfortunately what the list offered in variety it lacked in profitability. The new team, which faced borrowings of £24m for 65 per cent gearing—now cut to 40 per cent—has been busy weeding out the loss-makers and concentrating on the major brands especially the latex products and a photographic business expanded by the acquisition of Napolour in January for £4.5m.

Another Monopolies report is due out this autumn, but the group has been working closely with the Office of Fair Trading since the last one and does not expect any major criticism this time. The irony is that the company still holds over 90 per cent of the UK sheaths market and, if anything, the enforced price cuts have probably deterred any serious competition.

Tea leaf confusion

NEW YORK RICHARD LAMBERT

THURSDAY was the 50th anniversary of Wall Street's Depression low, when the Dow Jones Industrial average closed at 41.22. It was also a day when a number of rather curious things happened in the stock market.

Shares opened active and weak. By lunch time, the Dow was around 10 points lower and there was a distinctly panicky feeling on the Street with share prices lurching towards their June low. There were rumours of big institutions dumping stocks, and bank shares in particular were taking a battering—as they had been all week.

Then, quite suddenly, things changed. Share prices stabilised and rallied so that by the close the Dow was 5.32 points higher on the day. Volume surged to over 60m shares, and a sharp increase in the number of block trades indicated active participation by the big investing institutions.

The reason for this turnaround seemed fairly clear. There was a marked fall in money market interest rates on the day, which continued yesterday when the Federal Funds Rate opened at just over 13 per cent compared with 14.5 per cent a week ago. It was the explanation for that fall which left the market stages guessing. Treasury Bill rates had actually been easing all week but that, everyone said, was just a reflection of the sick state of the securities market—it represented nothing less than a so-called "flight to quality" as investors scrambled to reduce their exposure to risk by switching their money into short dated issues backed by Uncle Sam.

On Thursday afternoon, though, the story was different, and it spread through the market in a matter of minutes. The Federal Reserve Board had changed its stance, rumour said: it was shading its policy in order to ease credit conditions, and there was even a chance that it would cut the discount rate.

The Fed has indeed been injecting reserves into the banking system in recent days by the temporary purchase of Treasury securities, and recent declines in the money supply figures have given it a bit more leeway. Some traders say that as a result the Fed has chosen this moment to loosen its grip in the face of continuing weakness in the U.S. economy—undressed again this week by rotten figures for motor car sales and retail business in June.

But the tea leaves still look distinctly confusing. What about the famous surge in the July Money figures, the prospect of which was sending the credit markets into such a state a few weeks back? More particularly, would long term bond prices have rallied so smartly if credit conditions really were being eased? The Treasury 14 per cent issue has jumped by over points in this fortnight to Thursday, taking the yield down by more than half a point to around 13.7 per cent. You might have thought that an easier stance at the Fed would be bad for long dated bonds, given the adverse implications for inflation.

So all in all it seems sensible to keep the head below the parapet for a bit longer yet. One group that will repay especially close attention is the bank sector which was hit by what other work between the eyes this week.

Everyone is ready and braced for trouble from some of the highly borrowed industrial companies that are struggling to stay on their feet in harsh economic circumstances. What is disconcerting is the way that big problems are springing out of the blue from companies you've never heard of.

A month or two ago, Chase Manhattan revealed that it would make a second quarter loss as a result of a default by Drysdale Government Securities. This week it was the turn of Continental Illinois, which announced that it too would lose money in the second quarter as a result of the failure of Penn Square, an obscure Oklahoma bank. Not surprisingly this kind of news makes the market very jittery, and bank shares are currently selling far below their 1981 levels, let alone their book values.

For example, Chase Manhattan's shares have fallen by over 30 per cent since the day before the Drysdale debacle, and stand about two thirds below their book value. They are probably selling at only about four times 1982's very depressed earnings figure. Continental Illinois sisters dropped by a quarter in the first three days of this week, and now stand at less than half their 1981 peak.

Bank shares generally have been underperforming the market for about the last four years, and whereas share prices in general are something like a fifth below their 12-month high, most of the big banks are selling 30 per cent or more below their peaks.

Monday Holiday
Tuesday 798.90
Wednesday 799.64 +0.76
Thursday 800.98 +5.32

MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1982	1982	
	y/day	on week	High	Low	
Govt. Secs. Index	70.44	+ 1.05	70.44	61.89	Interest rate hopes help two...
Ind. Ord. Index	552.7	+ 9.7	594.0	518.1	... main sectors in quiet trading
Amer. Bond	230	+12	230	184	Results due on Monday
Audiotronic	1	- 3	9	1	Capital plans
Bechtel	272	+16	282	214	Chairman's confident statement
De Beers Deft.	202	+15	362	165	Half-year diamond sales figure
Eagle Star	348	+25	391	306	Alliance bid hopes
Ferranti	875	+75	825	620	Bid hopes
Geovir Tin	55	-20	140	55	Chairman's pessimistic statement
Granada "A"	170	-23	252	170	Profits warning
Imperial Group	99	- 5	104	68	Profit-taking after int. statement
LRC	63	+10	63	39	Following annual results
Lorho	82	+10	89	66	Stock shortage/int. due soon
Norah (M.F.)	24	+ 5	38	30	Agreed 37p share cash bid
Quest Automation	32	-20	140	25	Lack of support
Sheffield Brick	18	-15	45	18	Profits slump/dividend cut
Stonehill	48	-10	99	48	Poor results
Tate & Lyle	174	+14	220	158	Revised demand
Thorn EMI	382	-26	485	380	Rights issue fears/results Tues.
UDS	69	+10	80	54	Bid hopes

No time to go dancing in the streets

MINING

GEORGE MILLINGSTANLEY

THE FOOTBALL fans of Italy and West Germany may have been dancing in the streets during the latter part of this week, but after tomorrow's World Cup Final, the dancing will be followed by dependency in one of these countries.

Even the victorious team's supporters will find within a few days that the dancing will have to stop, as none of the problems facing the world has gone away during the last few weeks. We have simply been hearing less about the difficulties, as the media have been dominated by sporting events. Shareholders of London's Consolidated Gold Fields and De Beers Consolidated Mines

of South Africa may have felt like expressing their elation in some way this week, as both companies made what seemed at first sight like quite encouraging announcements.

De Beers reported a rise in first-half world diamond sales through its Central Selling Organisation, compared with the dismal performance of the second half of last year. This was the first increase between consecutive six-month periods for two years.

Meanwhile, Gold Fields produced reports on the progress of the South African gold mines within the group for the June quarter, showing a rise of no less than 37 per cent over the March quarter. The share prices of both groups responded promptly, with Gold Fields putting on 13p the following day, while De Beers jumped 20p.

The news was especially welcome to De Beers shareholders,

who have put up with a lot of bad news of late, what with the halving of last year's final dividend and several reports of production cuts and even mine closures.

The Central Selling Organisation (CSO) handles the marketing of something like 85 per cent of the world's output of rough (uncut) diamonds. A De Beers executive said this week that the improvement in first-half sales, which had been predicted by the group's chairman, Mr Harry Oppenheimer, was encouraging, but it is far too early to tell whether this represents the long-awaited turnaround.

He also pointed out that the latest figure of R836m (£320m) was well below the R747.5m recorded in the corresponding period of 1981, and little more than half of the peak level of R1,270m reached in the first half of 1980.

In addition, sales in the

second six months of the year are more often than not below those of the first half, as the July and December "slights" (diamond sales) are traditionally the weakest of the year.

This is explained by the proximity of the holiday season to this month's offering, and the fact that later in the year, dealers usually prefer to wait and see how the retail jewellery trade has performed over the Christmas period.

Apart from this quite understandable caution, there are one or two encouraging signs. There has been a further slight improvement in conditions in the cutting centres, with stocks of polished goods being gradually reduced to more normal levels. Prices of rough are also quite firm in all centres, a tribute to the success of the CSO's policy of stockpiling. A stockpile valued at R1.4bn, perhaps rising this year to not far short of R2bn, may be expensive to finance, but it is clearly preferable to the collapse of diamond prices which would happen if it did not exist.

Bank borrowing by the cutters, which helped to fuel the intense speculation in the cutting centres a year or so ago, has come down quite sharply, especially in Tel Aviv.

Retail jewellery sales remain firm, in consequence of the trend towards the use of smaller stones of poorer qualities, which helps to keep the price of pieces down. The CSO has fostered this trend by paying much more attention to the sales potential of the stones on offer at its sights. This has meant the virtual exclusion from sight-boxes of the top two colours and the top two qualities, for example.

What all this means is that it is not yet possible to draw any firm conclusions about the trend in diamond sales. A clearer indication will emerge after the August sight and it will also be instructive to see how the improved first-half sales figures translates into De Beers' interim profits, due next month. The June quarterly reports

from the mines in the Gold Fields group were also, on the face of it, quite promising, with a strong rise in overall net profits. These came out at R122m, against R133m for the first quarter of the year.

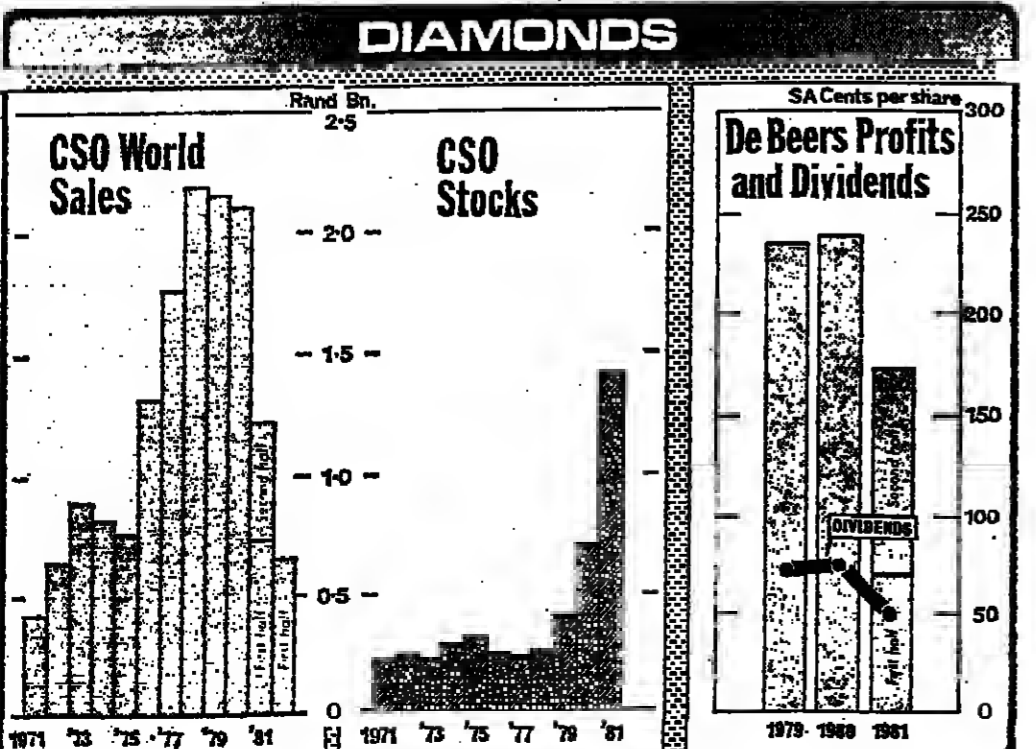
The increase was due, however, not to any herculean efforts on the part of the gold producers to raise output, but came about simply as a result of a steep fall in the offshore by the state, both in the form of taxation and under the South African gold mine lease formulae.

This was due in part to a higher level of capital spending deemed to be available for offset against tax, but the bulk of the fall arose from the merger between East and West Driefontein last year.

It was pointed out at the time that the merger of these two mines into the new Driefontein Consolidated "supermine" was first mooted that there would be a tax saving and this has amounted to no less than R38m. Thus the mine's net profit is shown at R122.5m, well ahead of the R78.5m for the preceding quarter.

Working profits from the group's gold operations were, in fact, down by 1.3 per cent to R237m. Broadly, the lower gold price combined with a 2.8 per cent rise in working costs to offset the benefits of the higher overall tonnage milled and a marginal rise in the average gold grade to 9.9 grammes per tonne.

One intriguing factor was the sharp reduction in the amount of money paid to the group's high cost, low grade Venterspost mine under the state assistance scheme. This mine managed to increase its operating profit from gold by concentrating on areas of higher-grade ore, but the amount received in state aid fell to R141,000 from R1,09m in the previous three months, so that net profits were down by 9 per cent to R2,83m. We shall have to wait for the quarterly reports from the other groups, due over the next couple of weeks, before any general conclusions can be drawn as to how well the gold mines are coping with the lower bullion price.



BUILDING SOCIETY RATES

Society	Deposit rate %	Share accounts %	Sub'n shares %	Term shares %	
				1 year high option	10.75 6 years
Abbey National	8.50	8.75	10.00	10.25 1 year high option	10.75 6 years
Aid to Thrift	9.55	9.80	—	sixty plus	10.25 1.5 years open bondshares
Alliance	8.50	8.75	10.50	10.75 5 y., 10.25 4 y., 10.25 £500 min.	2 m. oot. or £100+60 d. int. pen.
Anglia	8.50	8.75	10.00	10.78 8 y., 3 m. not., 3 y., 3 m. not.	10.25 1 mth's not.-all int. loss
Bradford and Bingley	8.25	8.75	10.00	9.75 1 month's notice	—
Bridford	8.50	8.75	10.25	10.75 5 years, 9.85 21 years	—
Bristol Economic	8.50	8.75	10.00	9.50 3 months' notice and 9.75 on balances of £10,000 and over.	Escalator shs. 9.25-10.75 (1-8 y.)
Britannia	8.50	8.75	10.00	10.75 5 y. option bond, 10.00 2 m. not.	—
Buroley	8.50	8.75	10.00	10.75 5 yrs., 3 mth. not.; 9.75 1 m. not.	—
Cardiff	8.50	8.25	10.35	9.50 on bal.; £3,000-10,000; £ to £3,000	—
Cardiff	—	10.00	—	£10,000 and over	—
Catholic	10.00	9.00	10.00	9.25 on share balances of £5,001+	—
Chelsea	8.50	8.75	10.00	11.00 3 y.—30 dy's not. on amt. wdn.	—
Cheltenham and Gloucester	8.50	8.75	10.00	—	Gold Account. Savings of £1,000 or more (8.75 otherwise)
Cheltenham and Gloucester	—	9.75	—	—	—
City of London (The)	8.75	9.10	10.25	10.25 Capital City shs. 4 mths' notice	—
Coventry Economic	8.50	8.75	10.25	10.80 4 yrs., 10.25 3 yrs., 10.00 3 mths.	—
Derbyshire	8.50	8.75	10.00	9.25-9.85 (3 months' notice)	—
Ealing and Acton	8.50	9.25	—	9.90 2 yrs., £2,000 min.	—
Gateway	8.50	8.75	10.00	10.75 2 yrs., 2 mths' not. int. loss	—
Gateway	—	9.75	—	Plus a/c £500 min. int. yearly	—
Guardian	8.50	9.00	—	10.75 6 mth., 10.35 3 mth., £1,000 min.	—
Halifax	8.50	8.75	10.00	10.75 5 yrs., 3 mths' wtd. notice	—
Heart of England	8.50	8.75	10.50	—	3 mths' notice 9.75 5 yrs., 10.75
Hearts of Oak and Enfield	8.50	9.00	10.50	10.75 5 yrs., 10.25 6 mth., 10.00 4 mth.	—
Hendon	9.00	9.75	—	10.50 6 mths., 10.25 3 mths.	—
Lambeth	8.50	9.00	10.50	11.00 5 yrs., 10.75 6 months' notice	—
Leamington Spa	8.60	8.85	11.85	10.35 1 year	—
Leeds and Holbeck	8.50	8.75	10.50	10.75 5 yrs., 9.75 1 mth. int. penalty	—
Leeds Permanent	8.50	8.75	10.00	10.75 3 yrs., E.I. a/c £500 min., 9.75	—
Leicester	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 mths.	—
London Grosvenor	8.00	9.25	11.00	9.75 3 mths' notice 1 mth. int. pen.	—
Midshires	8.50	8.75	10.00	10.25 1 year	—

YOUR SAVINGS AND INVESTMENTS—1

Investment bond and tax

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

Could you please let me know what the maximum percentage of an investment bond starting capital can be encashed annually without incurring an immediate tax liability? Broadly speaking, the answer is 5 per cent (on a cumulative basis).

The detailed rules are to be found in sub-paragraphs 5 to 9 of paragraph 9 of schedule 2 to the Finance Act 1975. In a local reference library, you could look up the law in, say, volume H of Simon's Taxes or volume 3 of the British Tax Encyclopedia.

Provision for handicapped

We have received from the Royal Society for Mentally Handicapped Children and Adults a letter referring to our reply under Provision for handicapped boy (May 1). This, it is stated "may have given the impression to a lot of people that a discretionary trust may be the answer to those who want to provide for a Downs Syndrome child without affecting his benefit." There is attached an extract from a DESS Circular which "shows how this may not be so." The extract reads as follows: "Where an interest in a discretionary trust (referred to in paragraph 29 of Schedule 1 to the 1976 Act) is treated as part of a resident's resources, local authorities should ascertain from the trustee the extent of the trustee's discretion. If there is discretion to release capital, or capital and income, for the benefit of the resident, it would be reasonable to treat the capital value of the trust fund as part of the resident's capital resources." We are not sure that the Department's view is justified and it has yet to be tested in court, but the existence of such a view is clearly material. We are grateful to you for your

observations and will bring the view expressed in the memorandum to the readers' attention. An interesting question is raised as to whether the Department's view is justified, but the existence of such a view is clearly material.

Claim for damage to car

My car was parked outside my house on a road on which parking is restricted. When it was struck by the County Library van which was passing along the road, I was notified of the collision by the driver who admitted having struck my car with his vehicle.

The cost of repairing the damage is estimated at £65; but as I have a £50 excess on my motor insurance policy, if the matter is dealt with through insurance channels, I shall be left to meet £15 of the cost.

I can proceed against the Council for this amount in the Small Claims Court, and if so, what is the procedure? We see no reason why you should not see the Council and, as you say, it might be better to deal with the matter through insurance channels. You can obtain all particulars about small claims from the nearest county court. However, before taking proceedings it would be best to approach the Council direct to see if they would pay up.

A sports club and tax

A Sports Club and tax. Apparently an unincorporated Sports Club is assessed for Corporation Tax upon its investment income. Are there any expenses which can be offset against such income before the calculation of the tax? In particular can mortgage interest payable be offset in this way? At what rate will the tax be charged? How would holding society interest receivable be dealt with? Unless the mortgage interest is payable to a bank, section 54(1) (a) of the Income and Corporation Taxes Act 1970 (in conjunction with section 32(5)) requires the club to deduct income tax and to pay it over

to the Revenue, as you probably know.

The interest should be deductible as a charge on the club's income, under section 248(3)(a) of the Taxes Act. It is unlikely that any other deductions are allowable, but the club's auditors will best be able to guide the committee on the prospective tax position. Although the current rate of corporation tax is unlikely to be disclosed until next spring, it is fairly safe to budget for a 40 per cent liability. Under section 249(1)(b) of the Taxes Act, as amended, ten-sevenths of the club's building society interest will be chargeable to corporation tax, subject to a 30 per cent set-off (in respect of the three-sevenths income tax accounted for by the building society).

Rollover on gifts

I own a house, let furnished, and thus subject to capital gains tax when sold. I understand that if all or part of the property is gifted, this would be a disposal and subject to Capital Gains tax. Could you confirm that a Capital Gains Free part may be gifted to £5,000 in the present tax year, i.e. 1982-83? Also could I gift a capital gains free part for one tax year back, i.e. 1981-82, when I believe the limit was £3,000?

You cannot backdate a gift. As far as CGT is concerned, there is no limit to rollover on gifts under section 79 of the Finance Act 1980, as amended in 1981 and by clause 67 of the current Finance Bill. However, you must bear in mind CTT as well.

We recommend you to consult a solicitor, for the problem may well be more complex than you realise.

Non-resident and tax

Since leaving the UK in 1975 and coming to live in Germany, I have read more than once in your Legal Staff's contribution on Saturdays that non-residents are not liable to pay UK VAT. The solicitors administering my late father's estate say,

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

however, that I am liable to pay VAT on his fees and the fees of the estate agents who arranged the sale of the property involved. Is this correct? There is no general exemption from VAT in relation to services provided to non-UK residents. Certain specific services are free of VAT. Services relating to UK property would be zero-rated in your case if they were supplied to you in your business capacity and not in your private capacity.

We agree with the advice given by you by the solicitors.

A licence to cultivate

The fence at the end of my garden is built some four or five feet short of the boundary—a stream which is set in a six foot deep gully. The bank on both sides of the stream has been cultivated by the people who live on the other side of the stream. I do not mind their using the bank for this purpose at present, for I do not have time to cultivate it myself. Unfortunately their cultivation has contributed to the undermining of my fence and I am aware that if they use my land, unlicensed, for a prolonged period, I may lose my title to it. Could you please tell me the period within which I must act to preserve my title: the method I should use to register my "protest"; whether any precise form of words is desirable or whether I should obtain any acknowledgement?

You must assert your title within 12 years of the first encroachment on your land. You should write to the persons who are encroaching and offer them a licence on their acknowledging your ownership. An informal letter stating that as owner you give them a revocable licence to cultivate the land (describing it) until such time as you require to use it yourself will suffice, if a copy is signed by them and retained by you. Otherwise your only choice is to force off the land or to take proceedings in court to restrain the encroachment. In the latter event you would be wise to consult a solicitor.

However, assuming that a sub-

scriber is able to get treatment in a NHS hospital he or she is able to claim a cash benefit to cover additional costs. In addition PPP run a scheme which provides a guarantee of treatment if the subscriber, who is paying a smaller premium, is unable to obtain treatment in the NHS within six weeks of going on the waiting list.

When choosing a scheme check the discounts available. Group discounts are the most generous and these can be arranged through employers, trade or professional associations or simply among groups of friends. A 5 per cent discount is available from direct debiting on many schemes and young people can get a 40 per cent reduction. The converse is that rates for elderly people are much higher and most schemes will not accept old age pensioners as first time subscribers.

The private medical schemes are geared to hospital treatment and most policies exclude any form of treatment that isn't strictly orthodox. So visits to homeopaths, chiropractors, health farms or hydro's would be outside the cover. So would visits to general practitioners, opticians and dentists for special treatment. The Exeter Hospital Aid Society provides additional cover for general practice, but this is extra. Private Patients Plan has also introduced dental insurance but the premiums are for the high side and the benefits rather limited.

Costs for the most expensive hospitals such as the Wellington are not covered in full by most schemes. Only the most expensive, PPP's Class One Family and Company Master-plan, allows a full refund on hospital accommodation. The other schemes will pay their top rates and allow the subscriber to make up the difference.

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Gareth Griffiths reports on the best buys in medical insurance Covering yourself



Brettenham House, Lancaster Place, London WC2. A 1980 Consumers' Association survey found cover cheap but limited. Bristol Contraceptive Welfare Association, Bristol House, 40-56 Victoria Street, Bristol, BS1. Good cover at low cost with no price increases in pipeline.

British United Provident Association, Provident House, Essex Street, London WC2. The largest provident society with 70 per cent of the total market. Provides a wide range of benefits and has own group of hospitals, but inflation is pushing up premiums after three years of keeping prices down.

	CHARGES			
	BUPA	PPP Family Master Plan One	WPA	EHAS
Single person 28	£106.08-£176.28	£231.24	£100.75-£149.60	£149-£200
Family cover— wage earner, 38	£294.60-£489.60	£617.76	£249.30-£371.55	£225-£320
Married couple— aged 65	£484.64-£822.72	£932.40	£345.30-£552.85	—

	BENEFITS			
	BUPA	PPP Family Master Plan One	WPA	EHAS
Hospital care	Full refund except for most expensive hospitals	Full refund	As with BUPA	As with BUPA
Surgeons	£575	Full refund	£440	£300
Physicians	£100	Full refund	£91-£119	£40 day (max. 10 weeks)
Cash benefit	£10-£15 per day	£20 per day	£105 per week	£70 per week

An armchair tour of vineyards



THE FORMAT and title of the substantial volume edited by Serena Sutcliffe (Great Vineyards and Winemakers, Macdonald £13.95) may give the impression that it is one of those works destined for the coffee table. This would be a pity, as among the selected estates and wine growers it contains a great deal of precise information unlikely to be found easily elsewhere. For France there are 34 of them, 12 in Germany, four in Italy, six in Australia and 11 in California; and there are also general introductions to each country's wines.

For the estates the area of their vineyards, the percentage of each grape variety grown and how their wines are made are listed in detail, and the size of each holding is given in the highly divided-up vineyards of the Côte d'Or domains. Indeed in some cases the information is so detailed that one wonders how much the wine amateur looks for these days. For example, in the Côte Chalonnaise Domaine de La Renardie vineyard it is important to know that "the most usual rootstocks are the SO, and the Téléki BB, which is older than the SO, and very strong. The BB is used on high ground, the SO on dry soil and the Riparia on low ground."

In such a work the choice of estates must to some extent be personal and arbitrary, but

there are a few surprising omissions and inclusions. In Bordeaux it is odd that the only premier cru not included is Haut-Brion, which in M. Jean Delmas has one of the most distinguished wine-makers in the region; while its neighbour, La Mission-Haut-Brion is the only Graves described. And many would not agree that its white wine, though excellent, is "indubitably the best white Graves." Nor would one expect to find the delightful Bas-Médoc Ch. Loudenne among the "greats"; or in Burgundy the Chalonais estate already mentioned. Italy is perhaps thinly represented, and one might have looked for one of the small, specialised properties of Aninori of Tuscany. However, the growing interest in Australian and California wines will make the comprehensive information about the estates there particularly welcome. Throughout the information is very accurate, though it may be noted that the Ch Latour estate was not confiscated during the French Revolution; only a small emigre-owned portion and like most other Bordeaux châteaux it does sell its wine en primeur.

The maps are useful, the wealth of illustrations imaginative, but many of the colour values are wrong. Ch Margaux's famous chateau is white not green, and most of the proprietors and growers appear recently to have returned from tropical holidays. Like most of us, Anthony Hanson is against sin. The sin for him among the red wines of Burgundy — the whites are less sinned against — is over-sugaring, heating the must in poor years to increase the colour, pasteurisation and blending in with "Mediterranean" wines. In principle it is "impossible to disagree with him, and he makes out an excellent case, indeed a series of cases in his book (Burgundy, Faber, £12.50, paperback

£4.95). So he advocates the de-classification of high quality burgundies when they fail to reach the official minimum alcoholic strength, a much stricter control of the addition of sugar, and permission to blend in a small proportion of a good vintage with a poor one, without losing the right to label the latter with the lesser year. Sound ideas, yet the impression lingers that he overstates his case. Is it really true, as he writes, that "most red Burgundies today... are mediocre wines without quality and poor value for money. Briefly, a rip-off. Most have qualities not improved since he was living and working there some years ago, and especially since our entry into the EEC in 1973 that largely put an end to ill-practices in which British firms were often willing participants? Are not the *Repression des Fraudes* squads not a good deal more active and effective nowadays? And one wonders in what milieu he worked there. The real problem with red burgundy, excluding Beaujolais, is that the quality available is very small, and two vintages out of three are likely to produce medium to mediocre quality wines.

It is unfortunate that the first half of the book leaves the impression of a sustained attack, although it contains a great deal of valuable facts and figures on viticulture and wine-making. The second half is very useful for the lists of growers and merchants in each commune from Chablis down to the Côte Chalonnaise, with their holdings and the size of each. The Maconnais and Beaujolais are more briefly covered in this most scholarly, comprehensive and critical work on Burgundy to have appeared in English, although to some details surprisingly not up-to-date. Whether, however, it will encourage its readers to drink more of the wine is another matter.

WINE

EDMUND PENNING-ROWSELL

David Peppercorn is well qualified to write a comprehensive work on Bordeaux (Bordeaux, Faber, £12.50, paperback £4.95). Son of a wine merchant who sent him bottles of Latour 29 when he was an undergraduate at Cambridge, the vintage buyer for Gibbeys/IDV and whose father enabled him to visit Bordeaux more than 50 times between 1960 and 1973, he is still professionally engaged in the wine trade. Although he rarely describes how the wines are made, and provides a very informative and to the amateur fascinating evaluation of the vintages from the earliest accountable years up to date, the chief value of his book lies in the description, mostly based on personal experience, of the most important châteaux in the main districts, and his opinion of their wines. This begins, somewhat surprisingly, with Margaux in the middle of the Haut-Médoc. But he even describes briefly all the 70 St-Emilion *grands crus*, many of them little widely known.

Sometimes he seems a little kinder to his appreciation of wines of some châteaux than others might be, but opportunities to discuss and disagree are among the pleasures of claret drinking. On the contentious problem of the classifications, in a chapter that reads like a lecture, he comes down firmly on the side of revision and regular review. It might have been made clearer that the *crus bourgeois* classification was produced by a committee of a not entirely supported voluntary body, and so lacks the official status of the other classifications. Two caveats, mostly statistical, add considerably to the reference value of a work that has obviously matured in the writing.

Vanbrugh's new twist

VANBRUGH LIFE broke new ground in Capital Transfer Tax planning when it launched its Inheritance Trust late last year. This plan enables investors to pass on assets free of CTT while still retaining control of the assets and the use of income from the assets.

It has proved to be a winner for the company. In a period when the performance of the rest of its business has been somewhat pedestrian, investors appear to have suddenly become aware of the need for CTT planning and Vanbrugh has sold some £1m since launch.

The basic format of the scheme is that the investor establishes a trust and hands over his assets in the form of an interest free loan to the trustees. The money is invested in a life bond and can be transferred to the beneficiaries free of CTT at any time to the death of the investor. The investor can take his income, free of basic rate tax, under the with-

drawal option as a part repayment of the loan. Only the outstanding amount of the loan is subject to CTT.

But Vanbrugh has found that many investors do not require these repayments as income. Such investors have been seeking ways of utilising these payments as gifts to beneficiaries.

Vanbrugh has also improved its Inheritance Trust — now renamed the VIP Inheritance Trust. This provides a higher unit allocation and an extra free switch between funds. There is also an option to add to the original investment. Indeed, Vanbrugh is finding that while sales show an initial surge because the company is first in the field, other life companies take the opportunity of improving and refining the product.

This week Norwich Union, for example, launched its Income and Heritage Plan. While the format is the same, the plan creates a settlement for just £1 with the rest of the assets being in the form of loans and gifts. If the investor does not need income, the trustees can invest in alterna-

flexible; for example it can provide a tax free income to the investor after 10 years while still leaving some capital to be gifted free of CTT.

Norwich Union has also introduced a Family Trust which avoids much of the duplication needed under existing trusts used for CTT purposes. For example, if a trust has already been established for one child, under this new scheme it is very simple to establish a trust for another child.

This latter development shows that life companies are not only concerned with designing new plans but also in simplifying existing arrangements.

Eric Short

Avoiding locked bank doors

THE JAPANESE do it every week, the French do it occasionally and the English have yet to get union approval to do it. It is of course opening the country's banks on Saturdays.

It is a very unpleasant experience to be stranded abroad clanking a handful of pound notes outside the locked entrance of a bank. So it is well worth checking the times and days banks are open in the resort or city of your choice.

A few tips to keep in mind. Countries in the Mediterranean tend to open in the mornings but bolt the doors around lunch-time. Scandinavian banks boast some of the longest banking hours in the world with late closing on Thursdays in Denmark and Norway. The Austrians, Swiss and West Germans close for lunch. If you happen to be in Athens this summer the National Bank of Greece says its Constitution Square branch is often open on Saturdays.

For transatlantic travellers it is largely a matter of playing it by ear. In the US banking hours can vary from state to state with £30 am starts fairly common in New York. In

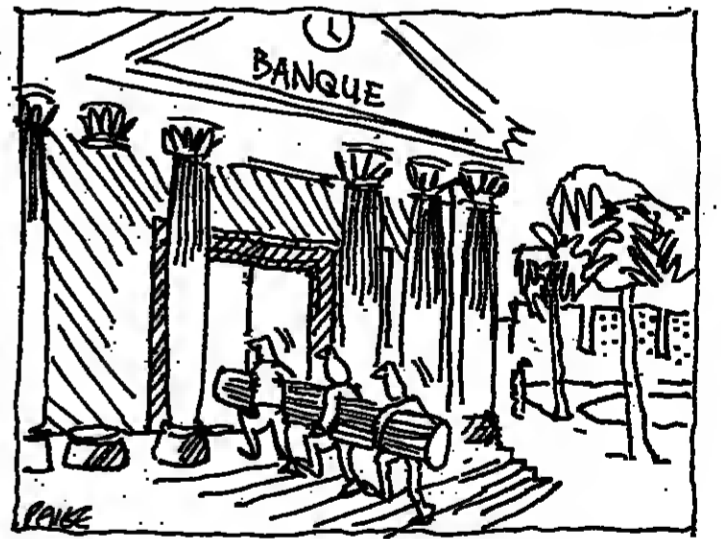
Canada the major banks open from 10 am to 3 pm but trust companies may prove more flexible.

Switching to the Far East, those three bastions of capitalism Hong Kong, Taiwan, and Japan all keep their banks open outside their banks on Saturday morning. The Chinese regard Saturday as just like any other working day and banks stay open morning and afternoon.

If you are travelling in the Eastern bloc an early start is advisable, as it is in the Middle East. In Saudi Arabia and the United Arab Emirates there is early closing on Thursday, and banks are shut on Fridays — but they are open on Saturdays and Sundays.

In Latin America it is best to stick with a fiscal of dollars. That way you have a fair chance of avoiding the vagaries of currency devaluations. In the unlikely event of finding yourself in Buenos Aires the safest policy is probably keeping your money stashed under the mattress.

Rosemary Burr



COUNTRY	BANK HOURS IN SELECTED SUNSPOTS		DAY(S)
	TIME	TIME	
Austria	08.00-12.30	12.30-15.00	Mon-Fri
Canada	10.00-15.00	15.00-18.00	Late closing Thurs.
France	09.00-16.00	08.30-13.00	Mon-Fri
West Germany	08.30-13.00	14.30-16.00	Mon-Fri
Greece	08.00-16.00	08.30-13.00	Mon-Fri
Italy	08.30-12.30	08.30-12.30	Sun-Thurs
Israel	08.30-12.00	08.00-13.00	Fri
Spain	08.00-13.00	09.00-12.00	Mon-Sat
Switzerland	08.30-12.30	13.30-16.15	Sat in June to Sept

Source: Financial Times Business Diary 1982

Increase your capital by reducing your CTT burden

Vanbrugh, a member of the Prudential Group, are delighted to offer investors with £25,000 or more a unique new combination of investment and taxation benefits:

*A substantial reduction of the burden of Capital Transfer Tax without loss of income from capital or access to it.

*Totally professional management accompanied by a special level of personal attention and communication, including regular investment conferences.

*Vital mitigation of the full effect of Capital Gains and Inheritance Taxes.

*An Accumulating Exemption Trust designed to make full use of annual CTT exemptions and, at the same time, qualify for significant tax relief bonuses.

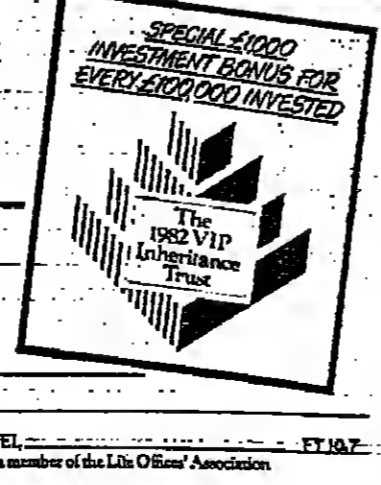
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In practice, the return to the City of Westminster is diluted by expenses and taxation. The 6 per cent interest is cut back to 3 per cent and every 1 per cent additional interest

from inflation is cut back to 1 per cent. So if the RPI is running at 12 per cent, the fire company receives an equivalent 12 per cent net return (3+1x12). It earns a positive real rate of return for a lower inflation rate and a slightly negative return for inflation above 12 per cent.

Then come the initial expenses of marketing these bonds: City of Westminster is not a member of the Life Offices Association and its standard commission rate for life bonds is so immediate 4 per cent plus another 2 per cent after 7 months. These expenses are covered in the bid-offer spread of 5 per cent. The net result is that even with an inflation rate of 8 per cent, bond will only show a better return than Granites after 20 years, a feature that City of Westminster makes no effort to conceal. It regards this investment to go on top of a full granny holding rather than as an alternative. It is being marketed as a medium to long term investment.

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YOUR SAVINGS AND INVESTMENTS-2

EVER SINCE the first week in June building society rates have looked generous compared to those of banks. Anyone paying basic rate tax can get just over 2 per cent more on their money with a society compared to a bank.

However, this 2 per cent gap is actually much wider as most societies are attracting funds by offering investment vehicles which give premium over basic rate interest. Nearly all the major societies have found that a sizeable proportion of the inflow of funds in recent months has been into accounts offering 2 per cent over basic rate which is 10.75 per cent net of basic rate tax.

This week Abbey National, Nationwide, Leeds, Halifax and the Woolwich announced that they will withdraw their 2 per cent premium rate products from July 31. Apart from the Abbey National which is maintaining a discrete silence on the matter, the other major societies are simply reducing the premium over basic rate to 1 1/2 per cent.

So the message for savers is if you are prepared to lock your money away for between

Rosemary Burr reports on Building Society premium shares

Only three weeks to go

three and five years in order to get the 2 per cent premium get your skates on. Slightly lower premiums are available for shorter term investments.

Do remember to check the small print as you will probably find that if you need to withdraw the money within a few years the premium over basic rate is reduced. You may also have to give three months notice.

Over at the Cheltenham and Gloucester, managing director Andrew Longhurst is hard put not to say "I told you so." Last May the society decided that giving investors 2 per cent over basic rate for five year money was "more expensive than we needed to pay."

So Cheltenham and Gloucester introduced the con-

ventional gold account which paid investors willing to leave over £1,000 in the account a 1 per cent premium over basic rate. One of its main attractions was that money could be withdrawn on demand.

Several major societies reacted strongly against the gold account and because they voiced their criticisms so openly Longhurst feels "they would find it difficult to copy."

He thinks the move by the major societies to scrap the 2 per cent differential heralds "a return to a more sensible rate structure."

However, a question mark still hangs over Abbey National's plans. John Fry, the society's marketing manager, says "we are seeking to rationalise and simplify our products."

The society still offers high option bond shares which give savers a 1 1/2 per cent premium over basic rate for one year money with three months notice of withdrawal required.

Fry says the society "will ultimately have something in the long-end of the market" but "the market is changing and we want to offer something that is not just another short-term wonder." In particular Fry is concerned about what the government may be hatching over at the National Savings department.

Figures for the first quarter of the current year are likely to show the inflow into National Savings is running sharply beneath the government's annual £3bn target. This situation is likely to be aggravated

by the holiday season in July and August, dog days for purveyors of investment products.

Over at the National Savings department discretion is the order of the day. "Obviously we are not just sitting on our hands, various things are in the planning stage." But how long will they take to emerge? An elusive "July and August are not ideal months to launch new products" is the retort.

So it looks like competition for the pound in the investor's pocket will hot up this autumn. In the meantime the big question is whether any society will produce a look-alike gold account. Some may be tempted to follow Cheltenham and Gloucester's path but the niggling fear must be that such a society would find itself paying more for money it could have attracted at basic rates.

In the case of Cheltenham and Gloucester the experiment paid off but it would be an expensive gamble for any of the major building societies to adopt and could place some of the sector's smaller and weaker brethren under intolerable pressure.

Lloyds can sell you a house

"I DO not think it will be all that difficult to become the largest estate agent in Britain."

These words come not from an estate agent, not from an entrepreneurial company director, but from a clearing banker—Roy Mercer of Lloyds Bank. Mercer is the chief executive of Black Horse Agencies, the first major effort by one of the Big Four clearing banks to move into property sales as well as mortgages.

It is a unique experiment for a major bank to go into the estate agency business, and Lloyds Bank's competitors were clearly surprised at the development. The strategy, as Mr Mercer explains it, is to go after the market in earnest and to ring the London area with a network of 100 outlets.

By doing this Lloyds hopes to attract more loan customers, not merely for mortgages, but also for related personal loans. "When you move house, you normally have to go to an estate agent for the property, to a building society or bank for a mortgage and then you might want to borrow money to buy some carpets and furnishings as well. We are trying to provide a one-stop service," says Mercer.

The emphasis at Black Horse Agencies will be what Mercer calls "the soft sell." Customers will not be pleased to see mortgages and other loans. "If a customer says she or he wants to borrow from Barclays rather than Lloyds, that's fine with me."

The only way to get customer loyalty is to give them good advice and not bully them," adds Mercer.

The implications of the Lloyds move could be significant. Already the building societies are viewing the launching of bank estate agents as part of the battle between societies and banks. For the High Street

customer the Lloyds move is just one part of the growth of consumer financial services in Britain—a growth which some say will rival the revolution which has hit the U.S.

Mercer, a seasoned veteran with more than 35 years of retail banking experience, is confident he has the bank's big guns behind the Black Horse effort. For starters, he has £5m in his pocket for the first stage of estate agency acquisitions.

The next major acquisition can be expected before the end of the summer.

The first three acquisitions—the Charles Hawkins group in Norfolk, Stimpson Lock and Vince in Hertfordshire, and Geering and Colyer of Kent—provide Black Horse with 29

offices. So the "ring around London" strategy is underway. Mercer is rather careful to stress that the Lloyds move into estate agencies is not designed to "smash the building societies." But he does indicate that in his view "the client does not now get all the services he wants."

He also makes clear that when it comes to the house mortgage market Lloyds is there "totally and utterly." But the Black Horse outlets will not actually lend money per se—they will simply process applications through Lloyds Bank branches. Customers should therefore not expect to receive loan bargains simply because they use Black Horse agents—the principal advantage is one of convenience. Other banks or building societies may well offer more attractive loan deals.

At Lloyds Bank's City of London group headquarters, Mercer reckons the bank-owned estate agency is an idea whose time has come. "It's new. It's a challenge. No one's ever done it before," he declares with fervour. He doesn't mind being called a banker turned estate agency supremo: "I'm enjoying it," he responds.

Whether prospective house-buyers will be as enthusiastic about Black Horse Agencies as Mercer is remains to be seen. If they live in the Southeast they may soon find themselves at the sign of the black horse whether they like it or not.

Alan Friedman

Safely on your cycle

CYCLING IS considered by many to be a downmarket form of transport. It takes a rail and/or tube strike to highlight the positive advantages of commuting by bicycle.

Insurance companies have also given less regard to the insurance of bicycles than to other forms of transport insurance. It has tended to get thrown in as an optional extra in the household insurance package along with freezers, caravans and boats.

So it was a little surprising to receive this week details of a special Family Cycle Insurance contract from General Accident—Britain's largest insurer of private motor cars.

GA has realised the potential of the bicycle market. Sales of bicycles over the past three years have almost matched car sales—last year 1.3m bicycles were sold and not just to children. There are an estimated 12m cyclists in Britain.

The need for comprehensive insurance is shown by the statistics. The latest available figures reveal that more than 300 cyclists were killed and 5,000 seriously injured in a year. Around 100,000 cycles were stolen last year, with an average worth of £50-60. But in 10 per cent of thefts, the cycles were worth more than £100 while a few were worth as much as £500.



When bicycle insurance is tagged on to a household insurance contract, the maximum payment is usually £100.

The new GA insurance policy thus aims to provide comprehensive insurance for cyclists. It gives cover against loss from theft or other causes such as fire. It covers damage to cycles as a result of accident or other cause. Both these risks include accessories as well as the cycle, providing they are attached to the cycle.

It also meets the liability of cyclists to the public up to £250,000 and provides personal accident cover if the cyclist is injured or killed while riding any cycle.

GA has introduced a novel feature into the contract in that it will completely replace as new if the cycle is lost or damaged within one year of purchase. Otherwise depreciation is deducted from the value of the cycle on a rising scale related to the period since purchase.

However, the policy has a warranty that no claim will be paid for normal wear and tear, for theft unless reasonable precautions have been taken. But there is no "locked bike" warranty.

Comprehensive cover has to be paid for and the cost is higher than when added to a household policy. The minimum premium is £10 for a cycle valued up to £150 plus higher premiums (on a sliding scale) for more valuable cycles. Cyclists can insure more than one cycle on the same policy and save on premiums. The cost if cover is added to a household policy is usually £4.

Eric Short

A summer 'money sale'

WHEN IS a bargain not a bargain? Basically when you can get the same product cheaper elsewhere at its regular price.

This week Boston Trust and Savings, the UK finance subsidiary of First National Bank of Boston, announced a "money sale" from July 6 to August 14. Before you all rush to the nearest branch of this American finance house you would be wise to compare its cut-price rates with the going cost of a loan from a clearing bank.

For despite the tantalising offer of a 10 per cent reduction in interest charges on unsecured personal loans between £300 and £3,000 and on home loans ranging between £1,000 and £7,500 you would still be better off knocking on your bank manager's door.

A four-year personal loan from one of the finance house's 26 money shops will for this limited period carry interest of 27 1/2 per cent compared to 30 1/2 per cent only last week. When it comes to housing finance a seven-year credit will be 21 1/2 per cent per annum down from 23 1/2 per cent.

Also included in this summer

sale is the lure of free credit for the first three months on the group's revolving credit account which provides facilities up to 30 times a monthly payment. If you chose a £3,000 facility this could mean a reduction in your interest bill of £198.

To be fair, Boston Trust are not claiming their rates are the cheapest in town. Mr Graham Telford, a director of the finance house, says the rates "are very attractive compared to hire purchase, certain popular credit cards and finance company loans advertised in national newspapers."

Will Boston Trust follow the pattern of retailers and have regular summer sales? In the money game, there is hardly the need to turn over out of date stock unless you are holding some of those forged £20 notes that have fallen off the back of a gold Rolls-Royce. Still, Telford says further sales to increase customers during "slack demand periods" might follow if the first one is successful.

Rosemary Burr

The Chelsea way

BUYING ONE'S first house can involve considerable financial hardship in the early years as most young couples know by experience.

They have to save enough for the deposit before buying the house. They will have to meet the costs of paying the still high interest rates and the repayment of the mortgage. It adds up to a hefty monthly bill, even with tax relief.

The cost of the deposit can be met by granting 100 per cent mortgages, but this only increases the interest payments and the repayment costs. These can be mitigated, however, by extending the repayment period as long as possible—the ultimate being interest only loans.

Building societies in seeking to expand their mortgage facilities have been tinkering with their standard schemes to ease the cost for first time buyers in order to attract this valuable sector of the market. Now the Chelsea Building Society has produced a comprehensive scheme for first time buyers—the First Home Scheme—incorporating a whole package of concessions. It offers:

- 100 per cent mortgages to avoid having to save for a deposit. The usual once only indemnity premium has to be paid.
- A special formula to enable

a higher mortgage to be secured of three times main salary plus second salary compared with the usual 2 1/2 plus 1. The limit for first time buyers is lifted to £30,000.

- A lower interest rate during the first five years of 1 per cent below the normal rate—plus the option to pay interest only during these five years.

- The repayment term can be as long as 30 years.

The net effect of these concessions is a substantial saving in the first years of the mortgage.

The average Chelsea mortgage is £18,000 on which the normal interest rate is currently 14 per cent—the society still charges a 1 per cent differential for mortgages over £15,000. The normal net monthly payment for a basic rate taxpayer is £145.42 for a 20 year mortgage, £138.08 for a 25 year term and £134.82 if he secures a 30 year repayment period. Under the First Home Scheme, the net monthly cost on an interest only basis is £126.

However, Chelsea insist that all users of the scheme maintain either an Ordinary Share account or a Savings Share account during the first five years of the mortgage—not an onerous condition with only a £1 minimum needed to keep open a share account.

Building a bonus nest egg

NATIONAL WESTMINSTER Bank has launched a bonus saver account aimed at young people and those trying to build up a nest egg. It is similar to a host of other savings schemes but does allow some leeway for the vagaries of personal financial fortunes.

The scheme is available for savers wishing to make monthly deposits of between £10 and £500. There is no need to be an existing customer of Nat West. The basic interest rate is the same as that paid on a seven day deposit account currently 9 1/2 per cent with an additional bonus that can be changed from time to time. The bonus

will be 2 per cent until the end of this year.

Interest is paid six monthly in June and December. Savers can miss one monthly payment per half year and still qualify for the bonus rate. In addition one withdrawal is allowed every six months. One extra deposit each month equal to the agreed sum may be paid into the bonus account.

The rate on the bonus saver account is currently in line with the building society basic share rate. Savers will have to keep a watchful eye on the size of the bonus offered on the account before deciding where to put their money.

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BOOKS

Mrs Thatcher's adviser looks into family life

BY ANTHONY CURTIS

The Subversive Family: An Alternative History of Love and Marriage

by Ferdinand Mount, Jonathan Cape, £9.50, 282 pages

It is a change to find an intellectual speaking up for the Family. As an institution it has had a lot of stick from writers in our century. We all remember the furore over Sir Edmund Leach's remarks in his Reith Lecture: "Far from being the basis of the good society, the family, with its narrow privacy and tawdry secrets, is the source of all discontents."

to do was to overcome the solidarity of the Family.

In a book that shuttles close and far, through many fascinating highways and byways of religious literature, poetry, history, social anthropology and modern polemic, Mr Mount gives no consideration to the Old Testament Jewish view of the family. Well, one cannot mention everything but this is a little like writing a book about Relativity without mentioning Einstein. Had he looked into this area more closely, Mr Mount might have found evidence not only that the so-called "extended family" once did exist but still exists, even though the old idea of a single dwelling for all the members has been replaced by a telephone system constantly in use.

Gide hated the family for many reasons, but one of the most cogent was its selfishness as a group, l'egoisme familiale. Although he does not actually use this expression Mr Mount sees the ability of the family to stand firm and promote what it considers to be the interests of its members, whatever power stem from Church or State, Christianity or Communism, psychologists or law enforcement officers, as one of the

great constant positive beneficial factors in human society. Moreover, he sees this power of what he calls the "subversive" family (because it subverts all external pressures) as possessing a very long history, much longer than those modern writers, who make a distinction between the nuclear family (a married pair living together with their children) and the extended family, the Dyaks in North Borneo all dosing down together in the same Long House, would give it credit for.

Mr Mount spends a lot of time and energy in the first half of his book demolishing contemporary myths about the family. One of the chief myths is that the contemporary nuclear family represents a comparative brief, transient phase in the history of the family, having evolved out of the extended family; and soon, if some influential people have their way, likely to turn into commune, sorority, or whatever the extant normative structure will be.

domestic privacies, much less argued than those which theorise about these matters would have us believe. Social revolutions may come and go, whole political systems may be swept away, but in this matter of family life throughout the centuries the basics, for Mr Mount, remain remarkably similar.

One of the basics is, of course, love, a subject on which a great deal has already been written. Mr Mount sets about demolishing the myths on this score with a will. It is not true that the romantic idea of love was an invention of the Troubadours. People have always married for love as well as for security. Men have loved their womenfolk and not regarded them as mere chattels, even in Anglo-Saxon England. And both men and women have loved their children, even those offspring they did not intend to have. The notion that a bastard was cast from birth into outer darkness is just as much a myth as courtly love. Some of these statements may seem like plain common sense, but they all go against the wisdom of fashionable scholarship.

How does Mr Mount prove to us that the pundits are wrong? To answer that you need to

read the book which, although I violently disagreed with some of it, I found highly entertaining and extremely well written. From the way in which Mr Mount handles evidence you can see what an admirable speech-writer and adviser he will be for Mrs Thatcher.

Mr Mount's method is, he explains, to work from the inside out. He hopes, by scrutinising historical and literary documents and appraising their tone accurately, to penetrate back to what people really felt at the time rather than what "we have" been told they felt in support of some theory about family life. Mr Mount acknowledges a debt here to Dr Peter Laslett and the Cambridge Group for the History of Population and Social Structure, whose findings he frequently quotes in support of his own. He cites, for instance, their *Bastardy and Its Compensations: History, Explanation, and Theory*, explaining that "Most of its authors confirm that the tolerance accorded to bastards... only gradually evaporated somewhere between the Renaissance and the Victorians."

It seems to have evaporated pretty rapidly, doesn't it, by the time we arrive at King

Leor? Mr Mount himself has cited Leor in another connection, as evidence that parental love existed in "Elizabethan times and earlier. Yes; he points to the reconciliation scene between Leor and Cardella. But the tolerance accorded by Gloucester to Edmund, his bastard, is of a highly dubious kind. "His breeding sir, hath been at my charge: I have so often blushed to acknowledge him that now I am brazen to it," he explains, and then goes on to say: "... there was good sport at his making, and the whoreson must be acknowledged."

Having disposed of the out-cast bastard myth, Mr Mount sets out to demolish the Troubadour myth. G. S. Lewis and Denis de Rougemont both got it wrong. Much of Troubadour verse is not about adultery, and neither is the greatest medieval poem in English describing a high-born love affair, Chaucer's *Troilus and Criseyde*. Mr Mount really is in a bit of a muddle here. The point about this kind of love was not that it was "adulterous" in the sense of sleeping with some-

one else's wife, but that it was unattainable, or rather unfulfillable. What the lover needed to do was to preserve in a kind of perpetual freeze-frame the image of the beloved; if he had ready access to her and was able, as we might put it, to have sex with her, this condition was wrecked. Hence the choice often did fall on a woman who was already married to someone else, as in Sidney's sonnets to Penelope Rich. But there were other forms of unattainability. Chaucer was a great realist. He knew from experience that as a PoW your access to high-born women was limited, and he made his cowardly lovers in his other great courtly love poems, *The Knight's Tale*, both PoWs. True, *Troilus* was not a PoW, and neither was *Criseyde*, but they were both casualties of war (a war fought, incidentally, because of an initial act of adultery); and they were separated by an iron-curtain situation similar to that—until recently—of Victor Korchnoi and his wife. *Criseyde* then went on to find another lover, but she gets no marks for that either from Chaucer, from the Shakespeare, or from the poet



Ferdinand Mount: where did the pundits go wrong?

who traced her career in its later stages, the Scot Henryson. He portrayed her as coming to a very sticky end indeed. However, here is a lively and learned book over which we can all enjoyably argue. I can see it provoking many examples of an aspect of family life Mr Mount does not discuss: the row.

Women as private eyes

BY WILLIAM WEAVER

The Parasite Person by Cella Fremlin, Gollancz, £6.95, 178 pages

Cella Fremlin is always good when dealing with marital and not-quite-marital tensions. Marital, her latest protagonist, has both kinds. Leaving his nag of a wife for his patient, sympathetic mistress, he exacerbates rather than solves his problems. In the course of some listless research for a long-postponed thesis, he encounters 19-year-old Ruth, a characteristically incisive, original creation of Mrs Fremlin's, who seems to turn his life in a new, promising direction. The glitter is fool's gold, of course; and the denouement is appropriate and inevitable. In her elegant, unassuming fashion, the author has many wise and witty things to say: a delightful and masterly achievement.

Master of the Moor by Ruth Rendell, Hutchinson, £6.95, 219 pages

Vangmoor—bleak and fascinating—is more than a setting: it is virtually the protagonist of Ruth Rendell's latest examination of the twisted mind. Some people may be indifferent to the moor and its spell; for others the place is a way of life, a raison d'être, a world more real than the town of Hilderbridge and its fairly bumdrum existence. Mrs Rendell's great secret is pace: she knows just when to accelerate, just how slowly to build to a climax. Her central character is totally realistic, but the marginal people of the book—including a dead author whose works sound splendid—all have distinct personalities.

Life at Sarab Kelling's Boston boarding house goes on as before, but the marginal people of the book—including a dead author whose works sound splendid—all have distinct personalities.

An arresting debut. For a few pages you think you are reading an imitation, albeit a competent one, of the old Hammett-Chandler formula, complete with mean streets (Chicago here, not Los Angeles) and tough private eye. But the private eye, in fact, a woman, attractive and witty, as well as tough. Not an imitation therefore, but a variation: subtle, updated, self-confident. There are chases and rough stuff, urban corruption, wealth and poverty, but all seen with a fresh, unusual eye. V. I. Warshawski—Mrs Faretzky's protagonist—steps on stage with an air of command. Let's hope her repertoire grows.

The Palace Guard by Charlotte MacLeod, Collins, £6.50, 205 pages

The solicitor Eric Ward, former policeman, first appeared in *A Certain Bitchness*. The deserved success of that book has obviously led its author to use Ward again; and his second performance is as well-developed and moving as his first. Though Lewis possesses an admirable versatility, he excels with a certain type of anti-hero, wry, beset with problems, no longer young, sometimes reminiscent of Graham Greene. Ward's Newcastle is real, unromantic, and peopled with recognisable but not stock characters. A first-rate job.

Sheiks and Adders by Michael Innes, Gollancz, £5.95, 157 pages

Minor Appleby, Sir John, snobbish as ever, goes slumming among the nouveaux riches. The garden fête he attends includes a father-daughter murder, an over-convicted escape, and a number of colourful local residents.

In the dorm...

BY PETER KEATING

The Heirs of Tom Brown: The English School Story by Isabel Quigly, Chatto and Windus, £12.50, 296 pages

"What is he sent to school for?" Squire Brown asks of young Tom as he sets off for Rugby. "If he'll only turn out, he'll be a 'highly' truth-telling, Englishman, and a 'Christian, that's all I want'."

are prisons and monasteries. It is a depressing point, but it does go some way to explaining why so few of the many school stories discussed in the titles of *Tom Brown* survive as literature. Isabel Quigly allows only two unqualified exceptions to this generalisation: Kipling's *Stalky and Co.*, and the early stories of P. G. Wodehouse which feature Mike and Pamith. *Stalky* is praised for being well-written — something, she says, that can rarely be said of school stories — and for using direct parallels with the Empire, which "allows Kipling to break out of the confined world of school. Wodehouse is praised for being genuinely 'funny' — another rare quality, apparently — and 'free of obsessions and resentments.'"



Judgment seems a bit harsh for a work of genuine modern pathos. Hilton's nostalgia is no more unpalatable than Auden's Fascist State.

Thomas Arnold, reformist headmaster of Rugby and the revered "Doctor" of *Tom Brown's School Days* would certainly have been shocked by such philistinism, though he might have approved Squire Brown's high moral tone. As things turned out, even that did not survive for long. By the end of the 19th century "moral" worth was often synonymous with being good at games. A main social objective of the public schools was, in the words of the headmaster of Radley, "to confer an aristocracy on boys who did not labour it."

If there are few major literary successes among the public school novels of the past century, there are some near-misses and a good many fascinating oddities. *The Heirs of Tom Brown* is illuminating in both categories, and Isabel Quigly is a judicious guide to those novels which are still worth reading.

Perhaps the type of novel which remains most inconceivable to the outsider is that classified here as "The School Story as Love Story." In the early days of the tradition, the central theme of homosexuality tended to be redirected on to emotional surrogates—sporting prowess, religiosity, patriotism, or most commonly the school itself. By the turn of the century a novel like H. A. Vachell's *The Bill*, a mixture, as Isabel Quigly says, of "flaming romanticism and flagrant snobbery," had become simply a public school variant of the popular romantic novel. The only difference was that it was no longer about two men in love with one girl, but "two boys in love with one boy."

Six Feet Under by Dorothy Simpson, Michael Joseph, £5.95, 182 pages

Inspector Luke Thanet first appeared in Mrs Simpson's *The Night She Died*. Now, in his second performance, he is an even more rounded and attractive character. Here he is called upon to investigate the apparently inexplicable murder

Indemnity Only by Sara Paretsky, Gollancz, £6.95, 244 pages

sets in an over-the-board tournament would risk a forfeit and even expulsion from the event. Postal games have time limits, just as in over-the-board competitions. Although they seem generous to the outsider (10 moves in 20 days is normal for British events) they can be awkward to cope with if the opponent is strong and you have to work before the daily delivery.

Opening Sicilian Defence (European postal championship 1979-81)

1 P-K4, P-QB4; 2 N-KB3, P-Q4, P-K4, P-K4, N-K3, N-K3; 5 N-QB3, P-Q3; 6 N-KN5, P-K3; 7 P-B4, B-K2; 8 Q-B3, Q-B2; 9 Q-Q4, Q-N-Q2; 10 B-Q3, P-R3; 11 P-KR4.

Now is the time to accept the sacrifice. 12...P-B2; 13 R-PK; R-R; 14 R-R, N-N1; and if 15 P-B6, B-P2; 16 P-N, B-P; 17 R-R ch, N-Q2; or if 15 R-R, K-B1; 16 Q-R3; B-P ch. But this improvement quite possibly did not reach Poland until Black has "lost" the opening in the present game. 13 Q-N, B-Q2; 14 P-P, P-P; 15 P-K5.

CHESS LEONARD BARDEN

POSTAL CHESS is an excellent substitute for over-the-board play if you are geographically isolated, and it has proven value in improving and deepening your game. The late Paul Kerz, one of the all-time chess greats, spent his youth in a small Estonian town where there were no club or tournament players of his own strength. So he took up international correspondence chess, had at one time nearly 150 games in simultaneous progress, and was awarded grandmaster standard when he made his debut in over-the-board world events.

One peculiar snare of correspondence games is the conditional move. Conditionals speed up the play, but they are binding and can sometimes help the opponent to a critical decision. There is an old chess story of the man who lost in one move by offering a conditional. He wrote: "With White I open 1 P-K4, while with Black, whatever you play, my first two moves are 1... P-KN3 and 2... B-N2." His opponent accepted the conditional and chose 1 P-Q4, 2 B-KR6 and 3 Bx6.

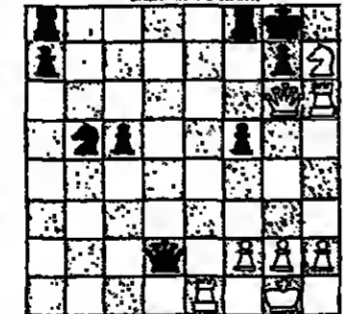
White offers a bishop for a strong attack, and as this game shows Black cannot well decline the sacrifice. 11...P-N4; 12 BxN; 13 P-K5 or 11 Q-N3; 12 N(4)-K2 both favour White.

Forcing a decisive breakthrough. 15...P-P; 16 Q-N6 ch, K-B1; 17 BxN, B-B; 18 K-R1, B-B1; 19 Bx ch P-R; 20 QxP ch, K-N1; 21 N-B5! P-N; 22 R-Q8 ch, Resigns.

Postal players have their own international federation with world championship and grandmaster titles. Russian dominance is less marked than in normal play, and world correspondence champions have included an American, an Australian and a Belgian. These probabilities of reaching the absolute top partly explain why postal chess, particularly at world and European level, has maintained a vigorous growth despite the slow action and rising postage costs.

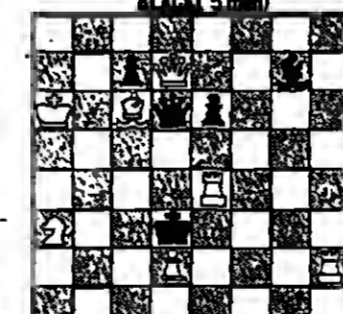
To leading organisations which arrange games for players of all standards from novice upwards are the British Correspondence Chess Association, 25 Bancroft Street, Bulwell, Nottingham, and the Postal Chess Club, Sutton Coldfield, West Midlands.

POSITION No. 431 BLACK (9 men)



Golden v. Efimov, USSR team championship 1962. White (to move) sacrificed a pawn to reach this diagram. He has a strong attack, but Black's last move Q-Q7 threatens both white rooks as well as mate in one.

PROBLEM No. 431 WHITE (7 men)



White mates in two moves, against any defence (by A. C. White). — a problem which won a tournament first prize and which solvers described as "elegant and difficult to crack."

BRIDGE E. P. C. COTTER

MY FIRST hand today from rubber bridge was brilliantly played by the declarer:

N A K 7 J 8 5 Q 9 7 6 4 2 W E 10 2 Q 9 6 5 3 A 7 4 3 2 6 4 3 2 K Q 10 9 S J 8 5 3 4 K Q 10 8 K 10 8 7 A

if he gave jump preference with four hearts, the bidding might finish there. When South said four hearts, however, he indicated his willingness to explore further by saying four spades. This encouraged South to bid five clubs, and North jumped to six hearts.

West led the club King, South won, and cashed the Ace of Hearts, learning of the 5-0 break. He clearly could not draw trumps without first establishing diamonds. This would mean being forced again by another club lead, but he saw the possibility of turning the tables on West by making him ruff a diamond. Dummy would over-ruff, and thus restore the balance of power.

the declarer attacked clubs, forcing out West's Ace, and now the defence could make two diamond tricks, which did not prevent South from making his contract.

South dealt at game to North-South and opened the bidding with one heart, to which North replied with one spade. The opener now made a forcing ruff of three diamonds, and North took some time to consider his next bid. He felt that

At trick three, therefore, declarer led a spade to the Ace, and returned the diamond Queen. West won, and led

At a love score North dealt and bid one club, South said two no trumps, and North raised to three. West's ten of spades was won by the Ace, and East returned the five. Winning with the King,

East can see that South cannot make nine tricks without taking clubs, and if West has either Ace or King, a diamond return at trick two must put the declarer down.

Mexican contact

Distant Relations by Carlos Fuentes, translated from the Spanish by Margaret Sayers Peden, Secker & Warburg, £7.95, 225 pages.

The Partners by Desmond Briggs, Secker & Warburg, £7.50, 328 pages.

The Mexican novelist Carlos Fuentes, besides being a highly gifted writer, is so intelligent (a kind of equivalent of our own Anthony Burgess) and knowledgeable, that his ideas must at times have tended to overwhelm his imaginative faculties.

Translations of some of his earlier work came under heavy fire, and perhaps not unfairly, but no one need worry now: this is one of the most distinguished translations that it has been my privilege to read—a triumph.

Fuentes is complex, but highly readable; he displays no pretentiousness in this highly personal and complicated tale of the family names Heredia, the same as that of the Franco-Spanish poet Heredia, born in Cuba, who wrote in French and who exercised a powerful influence throughout Latin America as well as France.

Old Count de Brantly tells a story to a friend, who is unnamed until the end. One could speak of influences: James, Frost, Onetti, the whole tradition of the Mexican novel. But they are so many that it is clear that Fuentes has forged his own style.

Distant Relations, set for the most part in Europe, is, as I have indicated, succinctly Mexican. Brantly's Mexican acquaintances, Hugo Heredia and his young son, Victor, visit him in Paris. It is their odd, rather mischievous habit to seek their own name in local telephone directories; and by this means they make contact with other Heredias: Victor, and the young André, whose mysterious lives invade Brantly's tranquillity, and provide his story.

It is richly imaginative and profoundly humane—and it is not hard to read, although it will resonate in the mind for a long time. Fuentes is now writing better—and this is in some way a surprise—than his great Colombian compatriot, Gabriel Garcia Márquez. If Stockholm decides to be sensible this year (and the selectors are, from time to time), then they must look carefully at this novel and the best of its predecessors.

There was once a publisher called Blond and Briggs. But, whatever it is now called, Desmond Briggs has left to live in Wiltshire and become a writer himself.

His tale is about partners in a publishing firm, and the author strongly repudiates any suggestion that it is taken from life. At any rate it is an entertaining and informative read; those who want to learn about a certain sort of publishing will be suitably enlightened.

France in the 1980s by John Ardagh, Secker & Warburg, £15 (paperback Penguin £4.95), 672 pages

John Ardagh has had luck with the timing of his book. The last one, *The New French Revolution*, was completed just before the May 1968 "events" which were to transform French politics and society, and published just after them. This one, a blend of the less ephemeral part of the last book with much new material covering the 1970s, was finished just before Mitterrand's surprise victory in mid-1981, but he had time to revise it with a quick, questioning appraisal of the new Socialist approach.

Academic specialists might dismiss such works as superficial journalism, but they would be wrong. Ardagh has an omnivorous intellectual curiosity about every aspect of French life, a Francophone loquacity which provokes quotable responses from the people he interviews, and enough shoe leather to visit and revisit his favourite provincial haunts.

The book is peopled with larger than life characters who symbolise the new France, and help to explain how it differs from Britain, since no ready equivalents in this country would strike to mind. There is M Bongenaux, the head-porter turned manager who made a success of workers' participation at the Plaza-Athénée Hotel; M Gourvenne, "peasant, shipping tycoon, ruthless riot-leader, parcellid visionary," who has moved out from his Breton artichokes to set up Brittany Ferries; the "Emperor" of French cuisine, M. Boucse, "an astonishing figure, Rabelaisian, full of paradoxes, a whimsical, provocateur"; Giscard's Minister for Universities, Alice Saumer-Séfé, "a skinny, sexy, black-eyed 50-year-old with a taste for tight-fitting black trousers." Unfortunately, apart from the enigmatic character of Mitterrand himself, and his austere, intellectual Finance Minister, few of the new Socialist figures are so vividly portrayed.

Across the Channel

BY CHRISTOPHER JOHNSON

The vitality of the regions is still, but patchily conveyed. Britain and the South-East are showing something with rumbustious powerbrokers, but five of the largest cities in other regions are covered in only one page, which seems niggardly in a book of over 600. The vitality of France's "green oil" — agriculture — is captured, with the new twist that city-dwellers are dropping out to resettle depopulated rural areas.

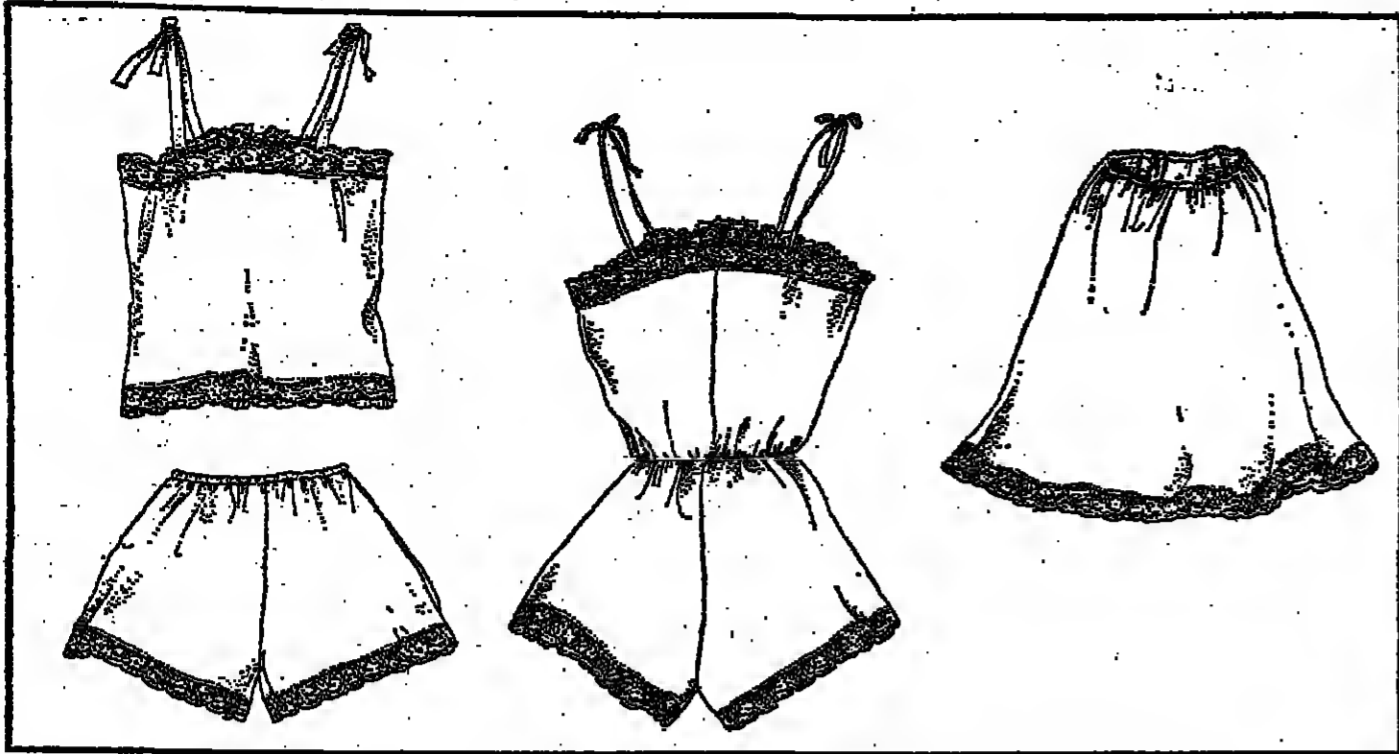
The core of the book is the 128-page chapter on "daily and private life" a series of sparkling vignettes rather than neat frames. Ardagh gets under the skin of the French. The progress of women, the unending hospitality of the households, the unequal opportunities for working-class children, the prevalence of second homes, the sometimes uneasy informality of the Club Méditerranée, all illustrate the variegated pattern of French society.

The "creative decline" of French culture is the theme of the last chapter. Existentialism has given way to structuralism, French novels and plays are not what they used to be, music is enjoying a renaissance, but painting seems to have faded away. Ardagh is particularly well informed on cinema. The French and the English have often been compared and contrasted. Ardagh makes a nice distinction between French chauvinism and British insularity. "One only has to compare the two nations' attitudes to the EEC, where the French eagerly co-operate, for their own ends, while the British remain uneasy semi-outsiders. So far as the French are concerned Ardagh is an insider."

MARTIN SEYMOUR-SMITH

HOW TO SPEND IT

by Lucia van der Post



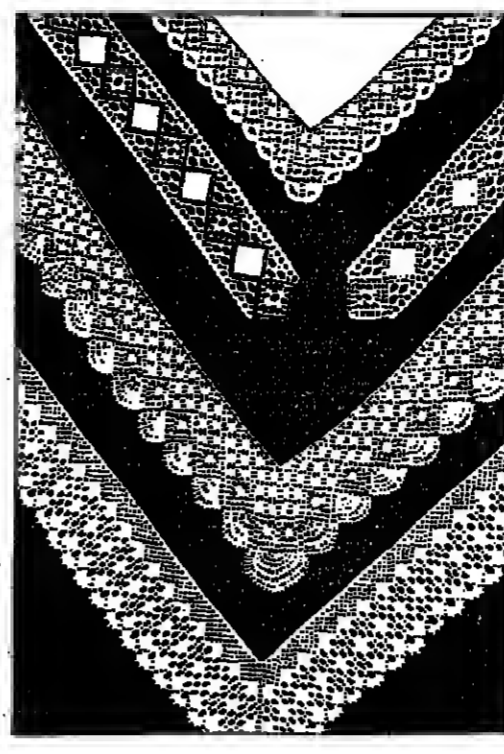
FLYING COLOURS

FINEST parachute pure silk has been used to make some of the prettiest underwear I've seen for some time. About a year ago Sally Barton who normally buys and sells army surplus clothing came upon a vast store of 1950 RAF parachutes which everybody else thought was just a pile of well-kept old parachutes. Sally saw a mountain of silk that could be turned into a whole collection of silk finery.

She took the silk to two London designers, Michael Bagby and Lesley Greenwood, and asked them to see what they could come up with. What they thought up was a fairly simple collection of co-ordinating, mix-and-match clothes—ranging from the underwear sketched here (which I think is the most successful part of the collection) to skirts and tops.

The parachutes were dyed in a series of heavenly pastels—lavender blue, pale raspberry pink, pale blue, yellow and green.

Prices, again particularly for the underwear, seem particularly reasonable, especially when one sees and feels the quality of the silk. The cam-knickers, the top and the slip are all £12 each. The all-in-one (or teddy) is £22. All come just in white and are trimmed with white lace.



FRILLED TO BITS

MOST of us have become so used to the labour-saving mixtures that modern bed-linen is made of that we hardly know what it must have been like to sleep in pure linen sheets. For those who hanker for the finest of linens, who remember only too well what bedlinen used to be like in our grandmothers' day, there is a group of women in Cheltenham who produce bed and table linen of that quality.

The company is called Fine Linens and only the finest quality pure Irish linen is used. All the hemstitching is handworked, as is the crochet. Only handmade hobbin lace, of finest quality linen thread, is used and to give you some idea of the designs, some of the lace edgings are sketched above.



TOP GLASS

FOR an unusual summer collection of glass, it is hard to find anything as pretty or as appealing as the hand-blown glass from the Provencale village of Biot. It is just part of a collection of Provencale artefacts sold by the small shop of Break of Day, 10 Beauchamp Place, London SW3. Known to locals as Le Verriere de Biot, the shapes are handsome and simple and the colour varies from pale aquamarine to deep blue. Besides glasses for drinking anything from champagne to water, there are decanters, vases, small bowls and candle-holders. Prices are not cheap—wine glasses are £8.50 each, small goblets, £6 each and tumblers £6.30 each. Postage is £2 p+p for six glasses.

Cream of the crop

BY JULIE HAMILTON

I HAVE been experimenting again, this time with ice-cream and the machines that make it. Until now I have always made ice-cream perfectly satisfactorily by hand but it seemed a good idea to have a look at two machines currently on the market.

The first is an electric churn, available for £33.65 (p+p £2.60) from Divertimenti, 65-70 Marylebone Lane, London W1. It makes four-quarts of ice-cream in as little as 40 minutes but its big disadvantage is that it needs up to 20 pounds of crushed ice. Those living near good London supermarkets may find this no obstacle but in the country things are not so easy.

Fortunately, I have a fantastic publican, Joe Cornelius, of the Five Bells, Chalvey, Sussex, who provided me with 20 pounds of ice—two large carrier bags full.

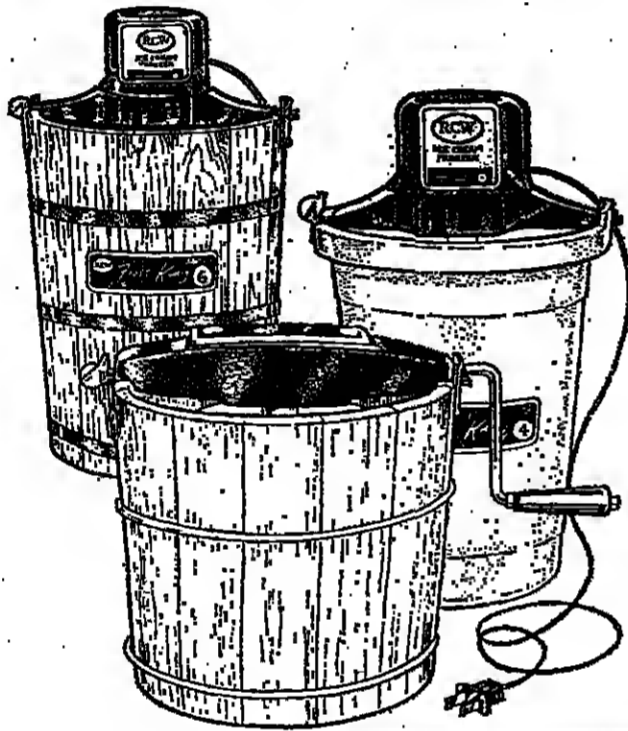
Crushing it was the problem. I tried the Magimix. The noise was deafening and it took only a few ounces at a time. I rushed desperately to and from the freezer, trying to prevent the kitchen floor becoming sodden with cold water.

I tried putting at least four pounds of ice in a couple of plastic bags and bashing them with a sledge hammer. The bags burst and the ice flew all over the place. Finally, with the help of my small daughter, I managed to crush the ice by using an old shoe bag and a very heavy sauceman on my quarry tiled floor. We had to do it in batches of two or three pounds at a time and quite a lot was wasted. All this before one even began to make the ice-cream.

That said, however, if you have an easy source of crushed ice, then the churn does make wonderful ice-cream, very fast, in large or small quantities. It is an ideal way of serving freshly-made ice-cream to large numbers of people at exactly the right consistency. And, of course, you can freeze any that is left over.

The other machine I have been trying is the Tefal ice-cream maker available from most good kitchen departments, including Divertimenti, at £18.64 (p+p £1.90).

It took me some time to work out the instructions and eventually discovered they did not exactly match the machine.



DIVERTIMENTI of 65-70

Marylebone Lane, London W1 has a large collection of ice-cream makers of all sorts on sale. They range from a selection of pure cedar wood electric ice churns, in four, five or six quart sizes (the six quart size version is sketched of the back left) to the smaller and considerably cheaper Tefal version photographed below.

They were for a two-flavoured machine.

I found it took twice as long as the churn to make the ice-cream and the results were not quite as good, but it is far less bother and considerably cheaper.

I, of course, tried out both machines with traditional recipes before I went on to experiment. It is the successful results of those experiments that I offer here.

First, I would like to pose one question. Does anyone know how to make a soft ice cream or sorbet, one that is soft enough to scoop out directly from the freezer as one can with some commercial brands? I have tried adding glycerine but that alone is not the answer, it just retarded the freezing process.

The following recipes can be made either by machine or by hand.

ICED CREAM OF SMOKED SALMON
This ice makes a fabulous first course, or even fish course for a dinner party.
8 oz smoked salmon bits; juice of 1½ lemons; 3 level tablespoons sugar; 1 level tablespoon dill weed; 1 pint yoghurt; 1 pint cream; 1 sachet gelatine.

Place the salmon, lemon juice, sugar and dill weed in a food processor or blender and reduce to a pulp. Add the yoghurt and process again.

Turn into a sieve and push as much through as you can. Dissolve the gelatine in three tablespoons of hot water and add it to the salmon mixture. Lightly whip the cream and fold it in. Freeze. Serve when firm but soft, not hard. Thin fingers of Greek pitta bread are a good accompaniment.

STRAWBERRY AND YOGHURT ICE-CREAM
8 oz strawberries; 2 oz icing sugar; 2 tablespoons clear



Small and compact the Tefal ice-cream machine fits into the freezing compartment of almost any fridge.

boney; juice of 4 lemons; 1½ pints yoghurt
Crush and sieve the strawberries and combine with all the other ingredients. Freeze.

SIMPLE RASPBERRY ICE
1½ lbs raspberries; juice of 1 lemon; 3 oz icing sugar
Liquidise the raspberries with the sugar and lemon juice. Push through a fine sieve and freeze.

STRAWBERRY AND ORANGE ICE
2 lbs strawberries; 3 oranges; 3 tablespoons clear honey

With a potato peeler, scrape thin strips of rind off the oranges, then squeeze them. Combine the honey, rind and juice in a saucepan and heat gently. Leave to stand for half an hour or until cold. Crush and sieve the strawberries and strain the orange juice and boney mixture into them. Mix well and freeze.

FRESH MINT ICE-CREAM
When I made this ice I decided to try it on friends with

whom I was supping that night, because my youngest son had not liked it at all when he tested it for me.

My hostess had prepared strawberries marinated in port; my bright green ice went wonderfully well with them and was voted a success.

10 sprigs of fresh garden mint; 2 oz sugar; 3 eggs; 8 fluid oz milk; 3 thin strips lemon rind; juice of 1 lemon; ¼ teaspoon vanilla essence; 5 oz double cream very lightly whipped; green food colouring.

In a food processor or blender combine the mint, lemon juice, sugar and eggs. Bring the milk to boiling point with the strips of rind in it and slowly pour it over the egg and mint mixture, stirring all the time. Tip the mixture into a double boiler and stir continuously until thickened enough to coat a spoon. Add the vanilla and strain the mixture into a bowl. When cool add the cream and food colouring. Freeze.

LEMON AND YOGHURT ICE
5 fluid oz lemon juice; rind of 1 lemon, finely grated; 3 fluid oz hot water; 1 sachet gelatine; 2 tablespoons honey; 1½ pints yoghurt

Combine the lemon rind with the yoghurt. Dissolve the gelatine in the water and combine it with the honey and lemon juice. When cool mix it with the yoghurt and lemon rind. Freeze.

I found the use of yoghurt in these recipes produces very light and not too rich ice-cream. I use a mild home-made yoghurt.

Each recipe will serve six or more depending on the size of the portions. It is important to remember that very hard ice-cream is not only painful to eat and difficult to serve but also its flavour will be diminished. Remove any deep frozen ice-cream from the freezer and allow it to soften in the fridge for an hour at least before serving.

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COLLECTING

Tea-making art

BY JUNE FIELD

THE ORIGIN of tea is lost in the midst of legends, although the Chinese claim to have been using it in the sixth century as a beverage highly prized for possessing the virtues of relieving fatigue, delighting the soul, strengthening the will and repairing the eyesight.



Geishas preparing for the tea ceremony: from an album of colour wood block prints by the late 19th century artist Mizuno Toshikata.

look at a piece, handle it, like or dislike it, scrutinise possible cracks and consider age as a price-raising circumstance. The Japanese start the same way, but consider the 'accompanying' features of far greater importance than we do.

fresh moist sweets served after a light meal to prepare the palate for thick tea, and higoshi (dry sweets), served with the thin tea.

SPORT

Ben Wright looks ahead to the British Open A tighter course at Troon

IT IS A FACT that golfers from 26 nations outside the UK will converge on Royal Troon for next week's Open Championship that gives the world's oldest major event its unique appeal.



Tom Weiskopf

Jack Nicklaus

famous for its 126 yards Postage Stamp eighth hole, where in 1973 Gene Sarazen, who was 80 earlier this year, holed in one during his first round, and returned the following day to hole a bunker shot for a two.

In trying to assess current form in the hope of picking a short list of potential winners Palmer's name will be missing. Interestingly the great man was to tee off at 9.20 on Thursday in defence of his U.S. Senior Open crown at Portland Golf Club in Oregon, alongside five times British Open champion Peter Thomson.

A time to sample roses

GARDENING

ARTHUR HELLYER

R.N.R.S. garden at about 12.30 pm. Three-quarters of an hour earlier, the Marchioness of Salisbury will officially open the show.

roses of all kinds, old as well as new, species and hybrids, are grown in large beds or the climbing kinds on walls, substantially built pergolas or scrambling naturally up trees.

quite miniatures nor yet cluster flowered floribundas but are somewhere between the two. Harkness, the raisers, simply call Anna Ford "dwarf" but that rather begs the question.

Are leg spinners returning?

CRICKET

TREVOR BAILEY

DEREK LODGE in his recently published Figures on the Green wrote "the leg spinner had by this time virtually disappeared from county cricket."

spinner and I played in a Test at the Oval when our selectors unbelievably picked no fewer than three, Wright, Brown and Hollies, as well as offspinner, Laker.

THEATRES

SADLER'S WELLS THEATRE, EPI. CC 01-774 8716. CC 01-774 8716. CC 01-774 8716. CC 01-774 8716.

Advertisement for the Royal Opera House Covent Garden, featuring the operas 'La Sonnambula' and 'La Bohème'. Includes cast members like Costi Gavras and Luciana Serra.

Advertisement for ART GALLERIES, listing various galleries and their locations, such as LEVEE GALLERY and AGNEW GALLERY.

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Advertisement for ROSEHILL INTERNATIONAL SCHOOL, a well-established co-educational school offering preparatory and secondary education.

Advertisement for HARINGEY SYMPHONY ORCHESTRA, featuring conductor David Lardi and a program of music from The Ballet.

RACING

DOMINIC WIGAN

ONLY SIX—Lafontaine, Heighen, Buzzards Bay, Cannon King, Indian Trail and Aherfield—have been declared for today's £19,000 in the winner, John Smith's Magnet Cup.

Antony Thorncroft reports on successes—and failures—among the shows in London

Musical tonic for the West End theatre

ON JULY 20 the West End will enjoy a glamorous first night, the opening at the Victoria Palace of the £600,000 musical *Windy City*, starring Dennis Waterman. The theme is American—*Windy City* is an adaptation of that newspaper epic *The Front Page*—but all the talent and the money involved is British.

The auguries are mixed for the show. For the West End the last few months have seen one disaster after another. The Falklands War, a spell of hot weather, train and robe strikes, the World Cup, all reduced audiences which had been none too healthy to start with. Mr Ian Aibery, producer and theatre owner, estimates that only six productions are currently running at a profit, and more theatres fall dark each week. The latest short-run casualties have been *The Understanding*, *A Private Affair*, *Fear and Loathing in Las Vegas* and *Funny Turns*, the last of which received excellent reviews.

On the other hand, where there are successes they tend to be musicals. The great current attractions are *Cats*, *The Pirates of Penzance*, *Barnum* and *Song and Dance*. *Evita*, now in its fifth year, is still doing good business. The only play to open in the last six months which can compete is the farce *Noises Off*. So it seems that when people make one of their increasingly rare visits to the West End theatre they favour an escapist musical, which could bode well for *Windy City*.

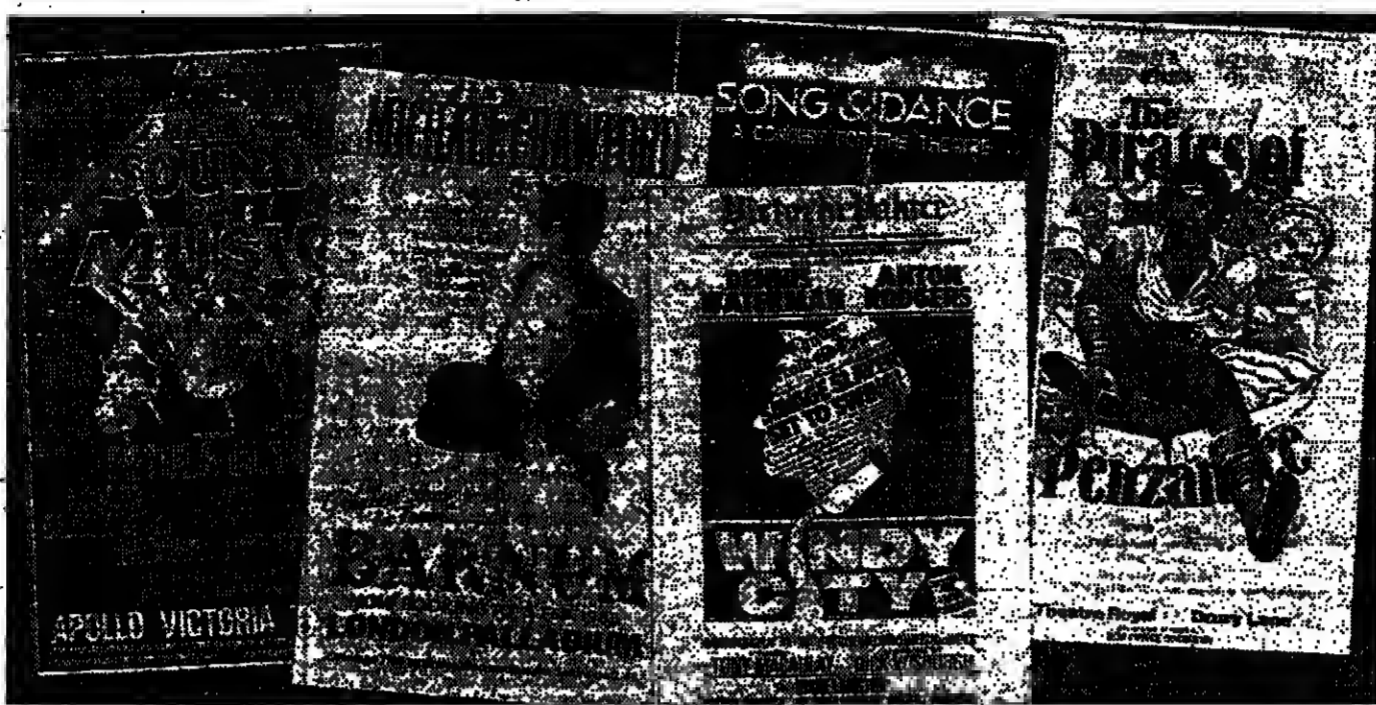
The economics of a musical are quite different from those for a straight play and they tend to be the concern of a small band of specialist producers who out of loyalty often back financially each other's shows. While you can still mount a play for £100,000, a

musical costing less than £500,000 is now either experimental or under-financed. The running costs, too, are that much higher. Mr Michael White's weekly outgoings on his production of *The Pirates of Penzance* are £59,000. Fortunately the weekly take is £80,000.

Despite the success of *The Pirates of Penzance*, Michael White is gloomy about the future of the West End. "The return from the theatre is just not good enough. An awful lot of plays on at the moment are loss leaders. It is becoming harder to find backers, and producers are just not prepared to nurse plays any more." This was the case with *The Understanding*, which Mr White presented in May. It bit all the recent problems faced by the West End, plus the additional tragedy of the death of one of its stars, Cella Johnson, just before the first night. In the past Mr White might have supported it and hoped for a recovery, but with losses of £10,000 a week he could not afford the gesture. In the future plays in London will follow the Broadway route—if they fail to establish themselves quickly they will be taken off.

This is especially true of musicals. Even though *Pirates of Penzance* is an import from New York it cost £450,000 to mount at the Theatre Royal Drury Lane. Air fares and hotel expenses ate up any savings on the musical score, and the Musicians' Union has insisted on six more musicians than played on Broadway. All told, Mr White is paying wages to a company of over 100, and initial costs, which he hoped might be recouped in 14 weeks, will now be repaid in 20.

On top of the basic expenses there is the one constant grouse of London's impresarios



— VAT. Most EEC members have eased the VAT burden on the theatre, but although a Commons committee recommended a similar gesture from the Chancellor of the Exchequer this week, it was turned down by the Treasury. Mr White pays £12,000 a week to the Government in VAT. For most current productions VAT is turning a small profit into a loss. Mr Bob Swash, who is responsible for *Evita*, is almost bemused by the sum that its success has contributed to the Chancellor — £1m to date, with at least another year's offerings to come.

What keeps the producers involved, despite their moans, is the excitement of working in an unpredictable and glamorous business and the very real

financial rewards from a hit. *Evita* has grossed over £11.5m at the box office with such bonuses as the British provincial tour still to come; *Annie* brought in more than £8m in the West End and is enjoying a very successful tour; a recent week in Birmingham produced £70,000 in receipts.

On the night that *Cats* opened in May 1981 not all the £500,000 needed to mount the musical had been gathered in and composer Andrew Lloyd Webber had to offer guarantees from his personal fortune. The show covered its establishment costs by Christmas and the investors — 220 of them, because London's traditional angels were suspicious and many new backers were brought in, with a minimum stake of £750 —

should by now have received a 60 per cent return. *Cats* is set to make a 100 per cent profit each year it runs and 60 per cent of this will be distributed to the angels, with Mr Cameron Mackintosh's production company keeping the other 40 per cent.

Mr Mackintosh has established an enviable reputation as a producer of musicals. He persuaded the Arts Council to contribute to the provincial tours of two revivals, *My Fair Lady* and *Oh! Calcutta!* which both turned in profits, and is considering a similar venture next year with *South Pacific*.

But Mr Mackintosh has experienced the vagaries of promoting even successful musicals. *Tomfoolery*, a fairly modest presentation, ran for a year in

London and subsequently was well received in New York. It is currently a hit in San Francisco. But its backers have yet to get all their money back although the time is near. *Tomfoolery* settled down to the kind of business where it broke even each week without making any appreciable profit — the situation which is very common in the West End at the moment. And not only in the West End — musicals on tour often attract very good audiences but the additional travelling and hotel expenses make breaking even very difficult. *My Fair Lady* had receipts of £100,000 from ten days in Edinburgh and still lost money — hence the need for Arts Council subsidy for touring musicals.

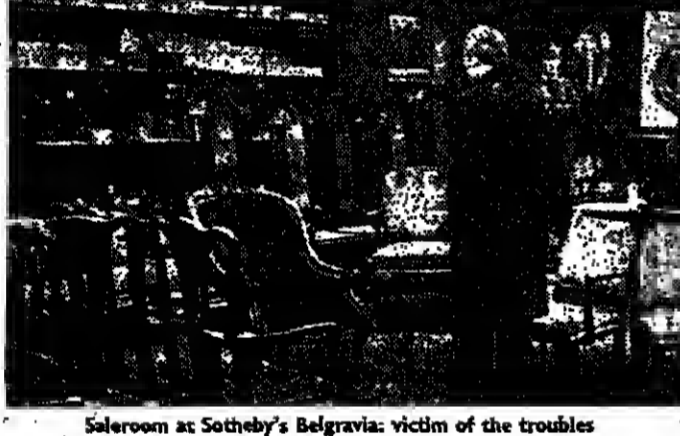
Mr Louis Benjamin, who with a better bet than straight plays. If *Windy City* plays to 75 per cent audiences for six months *Stoll-Moss* will have got its money back — or rather its backers will, for half the money behind *Windy City* comes from outside angels.

There is one other hopeful sign. For all the doom and gloom the Society of West End Theatres actually reported a slight increase in attendances in the first quarter of the year. The increase was only 10,000 a week out of total annual ticket sales of 8.5m but it points in the right direction. The second quarter will measure a downturn because of special factors like the Falklands but in the last two weeks, despite the rail strike, business is brisker.

A further bonus for the impresarios is that the theatre audience is loyal. It is concentrated among the 35-44 age group where about a fifth claim to go to the theatre at least once every six months, and a half attend sometimes. Not surprisingly, there is a heavy bias towards AB social groups among the regular attendees, and nothing seems to shake their interest. According to a recent Mintel report national admissions in 1975 totalled 37m, the same as last year, with the only significant change coming in 1977, Jubilee year, when they rose to 40m. Now that the West End, which because of higher seat prices takes over 40 per cent of the industry's box office takings, is improving its marketing skills through half price ticket schemes, clean up London campaigns, and advertising, the recent weeks may have suggested a false decline. And if the theatre thrives best on lively, up-beat, escapist entertainment to cheer people up in hard times then there are certainly the musicals around to deliver it.

Weekend Brief

NEMESIS COMES TO SOTHEBY'S



Saleroom at Sotheby's Belgravia: victim of the troubles

Nemesis has come quickly to Sotheby's. A year ago it was reporting on a record season with sales over £350m (as against just £35m in 1970) and pre-tax profits of £7m. Yesterday, over lunch in its Bond Street offices, the re-jigged management team explained away a half year loss of £1.5m, the first in its history, and a fall of a quarter in sales world wide.

There is some consolation that when arch rivals Christie's report their end of season figures in late July they will also be down, but not to the extent of Sotheby's. It is the price to be paid for over-fast

expansion and a confidence that the antiques boom was resistant to recessions.

Being salesmen in the last analysis, the Sotheby's directors were able to paint a bright future. Cutting back the staff by a quarter in twelve months to less than 1,500, selling off salerooms in Turvey, Chester and Los Angeles, and closing down their operations in Belgravia, London, and Madison Avenue, New York should save the company £10m next season and more than compensate for this year's loss, which could run out at £4.5m. But it is the dent in confidence and self-esteem

which may take longer to rebuild.

For Sotheby's was one of the great British success stories of the 1970s. Under the chairmanship of the urbane Mr Peter Wilson it brought British sophistication and specialist knowledge to the wild places of the world—New York, Hong Kong, and for a time, Tehran. But then Peter Wilson retired to the south of France and his cousin, Lord Westmoreland, had a brief reign at the top. He was followed by Mr Graham Lewellyn; and then in April a new team took over, with Gordon Brunton stepping in as

group chairman and bright young men being given the responsibility of the eastern and western hemispheres.

Top man in Europe is Mr Julian Thompson, 40, who built up Chinese works of art to one of the most thriving of Sotheby's fine arts sectors — it still is. He has much of Wilson's charm, and diffidence, and could make a necessary balance to the financial experts who have come to the fore at Sotheby's in recent years. Chief among these is ex-merchant banker Mr Peter Spira who talked yesterday of such coups as selling Sotheby's accounts office at Nash House in Bond Street for £1.5m, and doing well from the Los Angeles deal.

It was Spira who disclosed Sotheby's big hope for the future — the demise of the British widow. Ten years ago changes in Capital Transfer Tax enabled husbands to leave works of art to their wives without the burden of tax. This froze lots of treasures. Now these old ladies will start to die off and their heirs are likely to sell the family antiques to meet the tax demands. It might not quite compensate for the unexpected fall in U.S. sales because investors get a better return there leaving their money in the bank rather than speculating on Old Masters, but it could help.

MONDAY: EEC Finance Ministers meet in Brussels. FT conference on Business re-organisation — a balancing of interests at Inter-Continental Hotel, W1 (until July 13). Polling for India's new president. Deadline for Senate Finance Commission's recommendations for tax increases and spending cuts. CIPEC group of copper producers meet at ministerial level in Lima to discuss prices and production.

TUESDAY: Provisional index of industrial production for May. Building Societies' monthly figures for June. EEC energy council meets in Brussels. National Gas Consumers Council annual report. Mr Norman Tebbit, Employment Secretary, attends American Chamber of Commerce lunch. UN Secretary-General Javier Perez de Cuellar arrives in London for visit. BSC results. Traded options conference at Stock Exchange. Singapore Prime Minister Lee Kuan Yew starts official visit to UK.

Economic Diary

WEDNESDAY: Index of industrial production for Wales (first quarter). Indices of average earnings in May. Indices of basic rates of wages in June. UN Secretary-General Javier Perez de Cuellar has talks with Mrs Thatcher. TUC economic committee meets. Cable and Wireless results.

THURSDAY: London dollar and sterling certificates of deposit (mid-June). UK banks' assets and liabilities and the money

stock (mid-June) Mr Christopher Tugendhat, EEC Vice-President, talks to European Atlantic Group on Europe's hopes and fears at the House of Commons. The Henley Centre for Forecasting conference on International business prospects at London Press Centre. EC4. FRIDAY: Tax and price index for June. Retail prices index for June. Usable steel production for June. Mrs Thatcher visits new Royal National Lifeboat Institution building and companies in Dorset.

16TH CENTURY LUXURY CASTLE

Having invented everything from porridge to penicillin, the Scots are at it again. This time their coup is the National Guest Flat, a six-bedroomed executive suite in a 16th century castle, administered by the National Trust for Scotland, and available to those who can afford it.

Sited at Culzean Castle, Ayrshire, the flat was originally donated by a grateful Scottish people to the then General Eisenhower, has since been used by fellow Republican president Gerald Ford, and slept

io by their comedian compatriot Bob Hope.

As Culzean administrator ERN Caplan John Mott explains, the American connection continues: "Each of the bedrooms has been named after the Eisenhower or the Kennedy who gave the castle to the Scottish National Trust in 1945." He said. Now the Trust is looking further afield to small conferences and equally important guests.

Among those so far attracted has been the vice-chairman of the Chemical Bank, together with other senior men of commerce.

And the attractions are considerable, not least to students of architecture. Culzean was first redesigned by Robert Adam, and the present architects have kept faithfully to his 18th century concept.

For £90 a double B and B per night, the executive and his colleagues enjoy the availability of haute cuisine, hefty breakfasts, and the temporary illusion of Scottish lairdship—complete with sea views and golf. When they wish to get down to serious work, there is a dining room which seats 30, serving fine food in relaxed surroundings.

But behind the illusion, bought at some cost, is the reality of the financial problems such properties as Culzean face. Even with the National Guest Flat charging £90 a night, the castle itself does not break even.

Situated in the first country park designated in the UK, which is visited by an estimated 800,000 people a year, the castle attracts a further

85,000 visitors at £1.30 a head. To keep the "jewel in the Trust's crown" maintained will take an even further cash injection.

One way is through donations, the far more pleasurable way through raising the National Guest Flat, either in family or taking over the whole place lock, stock, and claymore.

Many of the prominent people who have used it in the past have done so far rest and recuperation rather than strictly business reasons, and most so far golf. Turnberry, Old Prestwick, Royal Troon, and Western Gailes are all close by.

The one handicap our reporter could find for those whose R and R takes a more intimate form? There is not a double bed in the place.

on all these travellers. Anyone, for instance, attempting to walk through the underground entrance as a fare dodger will be immediately halted by two self-extending metal bars protruding into his knees. Once on platform, if you put a foot within a metre of the edge, or indulge in any other behaviour considered immoderate, like running or shouting, a sharp voice will come from the closed-circuit TV surveillance which overlooks all platforms and escalators.

But at least you can be sure the trains will be running. Strikes, whether by transport workers or anyone else, do not occur in modern Hungary.

According to Mr Sandor Gaspar, president of the World Federation of Trade Unions and general secretary of the Central Council of Hungarian Trade Unions, strike action is a western disease.

TUBE TRAVELLING BUDAPEST STYLE

Londoners fed up with the service they get from their city's public transport, and for whom this week's rail strike was the last straw, might like to consider going to Budapest for their summer holiday.

get a pass to travel free anywhere in the city on bus, metro, tram or trolley-bus for the next 30 days. Alternatively, flat-fare tickets for individual journeys can be purchased for the sum of one giller (less than 11 pence).

You might think that 215 underground carriages, 51.3 km of trolleybus line, 930 tram cars and 3,031 bus stops was over doing it. Maybe it is. But the cheapness and efficiency of the system—underground fares are 700 per cent state-subsidised, and a train will come every 125 seconds during the rush-hour—mean that from 6 am (when most shops open) to 11 pm (when most trains stop) a seething mass of short, stocky Budapestians packs the transport like anchovies.

Though the underground system, opened in 1970, has only two lines and 22 stations, there is an average distance between stops of only 525 metres. So you are rarely more than a few minutes' walk away from access to it. In contrast, London's underground stations are nearly twice as far apart.

up for in speed: their acceleration compared to London's trains is like Steve Ovett's to a jogger's.

Strangest of all is the way passengers get out: at each station there is a mad initial rush from train to escalator followed by a complete standstill. Walking up escalators seems to be anathema to Hungarians, and the idea of leaving one side of the escalator free for anyone else to walk up is also unheard of.

The city's buses are not underused either. Made by the Icarus company, they are probably the country's greatest manufacturing achievement being exported both to the Soviet Union and the United States. Perhaps because of the national aversion to climbing stairs, there are no double-decker ones. But they make up for that in length. Many are 18.5 metres long and articulated in the middle. In 1981 the bus network's 773 kilometres carried 593m passengers, while London's buses shifted twice as many people but on a network eight times longer.

Not surprisingly, the authorities have discovered subtle means to keep a watchful eye

Contributors: Antony Thorncroft, Roger Beard, Stephen Instone

"Engineering excellence? High productivity? Good industrial relations? You can depend on Northern Ireland."

Sir Kenneth Corfield Senior Officer
ITT United Kingdom is Chairman and Chief Executive of its subsidiary Standard Telephones and Cables (STC), which employs 2,000 in electronics and telecommunications in Northern Ireland.

Sir Kenneth's long personal experience of Northern Ireland is totally positive.

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His message is clear, for small companies as well as large.

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Please send me more information on Northern Ireland.

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Position _____

Company _____

Address _____

Telephone _____

FT/107 NORTHERN IRELAND

UK COMPANY NEWS

Sotheby turnaround to £1.51m loss

A TURNAROUND of £5.78m to pre-tax losses of £1.51m are announced by Sotheby Parke Bernet Group...

circumstances at that time. They also expect, however, that profits from the planned sales of certain land and buildings...

In April the directors said that although there were four more months to the current year to run, they considered that trading results were unlikely to be profitable...

cut, and there has been no reduction to the level of expertise, which is the company's most important asset...

German trading dismal for Quest

By Dominik Lawson MR TONY EBEL, managing director of the troubled Computer-aided Design (CAD) company Quest Automation...

St Paul of U.S. builds up 19.97% stake in Minnet

BY JOHN MOORE, CITY CORRESPONDENT

THE St Paul Companies Inc of Minnesota, a major U.S. insurance group, yesterday continued its build up of a large stake in Minnet Holdings...

paid for 10 per cent last week in the group. Under the rules of the Council for the Securities Industry...

"We have not been asked and we have not considered it." So far there have been no discussions on future trading relationships between the two groups...

Poor trading again hits Highgate Optical

CONTINUED POOR trading conditions, which deteriorated further in the past few months of the year, resulted in Highgate Optical Industrial Company...

end of March, 1982, Letravane incurred a substantial bad debt connected with the receivership of E. Scraggs and Co...

Charter Cons. better operational balance

THERE IS little sign yet of any improvement from the recession in the UK, according to Mr Neil Clarke, chief executive of London's Charter Consolidated industrial and mining group...

seas income. This, together with the group's undoubted financial resources, should enable Charter to withstand the effects of the recession...

Bunzl and BPCC boost Bemrose stake

Bunzl, the paper and packing group, yesterday announced its first purchase of Bemrose Corporation shares since it put in its £18.1m bid for the company on May 15...

EEC decision on Allianz stake in Eagle Star

Eagle Star Holdings has been informed by the EEC Commission that it has received a provisional judgment on the company's complaint against the purchase of 28 per cent of its equity by the German insurance group Allianz Versicherung...

Warne's forecast to ward off Batsford approach

Frederick Warne, publisher of Beatrix Potter stories, yesterday gave details of reasons for its rejection of a partial takeover bid from the Batsford group...

Neville extends Pengkalen offer

Neville Enterprises yesterday extended its £5.6m offer for Malaysian tin producer Pengkalen Sdn Bhd...

Recovery at James Latham

James Latham, timber merchant, has finished the March 31 1982 year with a taxable surplus of £239,000, compared with losses last time of £211,000...

At £24.5m, compared with £23.1m, and pre-tax profits were after depreciation of £249,000 (£279,000) and included a lower (£247,000) interest, £457,000 profit on land disposal of £15,000 (£111,000)...

Stonehill plunges to £21,000: misses final

SECOND HALF taxable losses at Stonehill Holdings of £20,000 against profits of £198,000, brought the figure for the 53 weeks to April 4 1982 to a profit of £21,000 compared with £615,000. Turnover of this domestic furniture manufacturer was £15.99m against £18.55m for the previous 52 weeks...

ing conditions. This, together with market requirements, the group has introduced new designs and expanded its ranges. These have met with considerable success and acceptance by the consumer...

Braham Millar recovers to £60,000

DESPITE CONTINUING pressure on margins, mechanical engineer Braham Millar Group recovered from taxable losses of £86,000 to profits of £60,000 in the year to January 31 1982...

LOOKERS RAISES BRAID STAKE

Lookers yesterday announced it had acquired a further 30,000 shares in Braid Group, equivalent to 0.5 per cent of the equity, taking its holding to 1.83m or 30.5 per cent...

JERSEY WATERWORKS

Valid acceptances of the partial offer by the States of Jersey for 8,000 ordinary £5 shares in The Jersey New Waterworks Company Ltd, by 3.30 pm on July 7...

TDG EXPANDS

Through its French holding company Ostra SA, Transport Development Group has acquired Baillet SA, a warehousing and road haulage company with headquarters in Lille...

Results due next week

Next week brings full-year figures from two recent Government spin-offs, Cable and Wireless and Amersham International. Private sector life has been fairly good to Cable, which reports on Tuesday for the year ended last March...

currency movements. There was an absence both of firm of pre-production expenses at the Cardiff base, and also of £0.5m relocation costs. It is also thought that the interest payable will be about £0.2m less, while volume growth is likely to be in the order of 10 per cent, mainly due to technological advances on the health care side...

ceptual about DCL's marketing ability. Analysts expect the market at United Glass, to 50 per cent owned associate, to be down to some £8m and Gordon's Gin to do reasonably well despite a volatile home market...

At the half year stage the group had made taxable profits of £5,000 (£20,000) on turnover of £8.15m (£4.15m). Bath and Portland Group, together with its pension fund, holds 29.9 per cent of the ordinary shares...

Manchesters & Metropolitan

Manchesters & Metropolitan Investment Trust, whose shares were suspended on March 3, has written to shareholders about an intended acquisition, disposal and rights issue to raise £78,000...

SHARE STAKES

Kwik-Fit (Tyres & Exhausts) Holdings—Mrs A. D. Farmer, wife of chief executive, has purchased 50,000 ordinary shares in Kwik-Fit Tyres & Exhausts Ltd...

RESULTS AND ACCOUNTS IN BRIEF

JEFFERSON SMURFIT GROUP (100% based paper and printer) — 1982 results for the year to January 31 1982 reported May 15 with chairman's observations on prospects. Group shareholders' funds £122.5m (£122.5m). Fixed assets: £161.5m (£127.2m). Net current assets: £17.2m (£14.5m). Dividend: 2.25p (2.25p). Meeting: Oct 28, 1982.

RTZ WARD

At a meeting of the remaining shareholders of Thos W. Ward a resolution (on which the Rio Zinc Corporation did not vote) was passed by the requisite majority approving without modification the scheme of arrangement for the acquisition of the balance of less than 1 per cent of the capital of Ward not already owned by RTZ...

Table with columns: Company, Announcements due, Dividend (p), Last year, This year. Lists companies like Allianz, Amersham, Associated Heat Services, etc.

Table with columns: Company, Announcements due, Dividend (p), Last year, This year. Lists companies like Sammons (Wm.) & Son, Symonds Engineering, etc.

Sheffield Brick £190,000 loss

Second half taxable losses of £190,000, compared with profits of £2,000, brought the Sheffield Brick Group from profits of £2,000 to losses of £190,000 in 1982...

DIVIDENDS ANNOUNCED

Table with columns: Company, Current payment, Date of payment, Corro. Total, Total. Lists companies like Braham Millar, Sotheby, Sheffield Brick, etc.

THE TRING HALL

Table with columns: Stock Name, Price, Change. Lists various stocks like Banco Bilbao, Banco Central, etc.

APPOINTMENTS Senior post at Seagram Europe

Mr Edgar Bronfman, Jr, has been appointed managing director of SEAGRAM EUROPE, based in London...

Mr David Wase has been appointed financial controller for the Wrexham operation of COULD ELECTRONIC POWER CONVERSION DIVISION...

Mr John L. Gibbon has been appointed UK financial director for BELL AND HOWELL'S electronics and instruments division...

Mr David A. Andrews has been appointed Southampton branch manager of SCOTTISH EQUITABLE LIFE ASSURANCE SOCIETY...

THE JOHN WOOD GROUP has elected Mr J. Wood as managing director of its drilling services division...

Mr John S. Gray has been appointed president and Mr Timothy Wilson director of AMERICAN EXPRESS OVERSEAS CREDIT CORPORATION...

BRITISH GAS has appointed Mr Arthur Dove as chairman of SOUTH EASTERN GAS from August 1983...

Mr Max Williams, a partner in City solicitors Clifford-Turner, has been elected president of the LAW SOCIETY...

Mr Williams qualified as a solicitor in 1950 and became a partner with his father, grandfather and uncle in the family firm in Pembrokeshire...

Mr Norman Proctor has been appointed director of TJ FILTERS, part of the Teclenit group...

Mr Stan Harrison has been appointed commercial director designate of INTERLUBE SYSTEMS...

THE OVERSEAS DEVELOPMENT INSTITUTE has appointed Mr Anthony Kiolek as director from August 1 in succession to Mr Robert Wood...

Mr K. M. Newman has become counsel to the chairman of committees in the HOUSE OF LORDS after retiring from his position as head of the EEC...

Mr Lewis Macdonald has been made director-in-charge of RACAL ACOUSTICS. He was production director of Racal Comsec at Salisbury.

Mr George Davies, assistant managing director of NEXIT, and International Branch of the Lord Chancellor's Department...

Mr Robert Penkton, editor, Chronicle and Echo, Northampton, has been appointed to the board of the NORTHAMPTON MERCURY COMPANY...

Mr Brian Baylis has joined Argyll Foods as chief executive, GORDON BLEU FREEZER FOOD CENTRES...

Mr J. M. Crane has been made deputy chairman of the principal board of AUSTRALIAN MUTUAL PROVIDENT SOCIETY...

Mr Malcolm Wood has been appointed to the board of JOHN F. RENSBLAW...

Mr Albert Owen and Mr George Bryan Corser have been appointed to the board of TSB TRUST COMPANY...

Mr Derek J. Lyons and Mr Simon A. Whitney-Long, managers of THE UNION ISLAND COUNTY COMPANY, have been appointed to the board as executive directors...

ARA SERVICES has appointed Mr James Devlin personnel director...

THE WELSH DEVELOPMENT AGENCY has appointed Mr Neil Taylor of Lloyd's Insurance brokers, Wigan, Poland (Overseas Holdings) to a new post of investment development executive...

SPERRY GYROSCOPE, part of British Aerospace Dynamics Group, has appointed Dr John E. Wood head of underwater projects (Weymouth)...

Mr Robert Penkton, editor, Chronicle and Echo, Northampton, has been appointed to the board of the NORTHAMPTON MERCURY COMPANY...

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

The major development in the Bids and Deals sector came yesterday when S. and W. Berisford made another takeover bid for British Sugar...

Cadbury Schweppes agreed to buy Beckitt and Colman's Industrial supply operations in the UK, France and Ireland for £7.7m cash...

Dealings in Crest International, the property concern, were suspended on Wednesday at 10.15; discussions are taking place with engineering group Howard Tenens Services...

NSS Newsagents bought G. Knight, a private newsagent with nine retail outlets in the south-west, for about £2.5m, payable in stages over the next seven months.

Table with columns: Company, Bid for, Price per share, Market price, Value of bid, Price value, Bidder. Includes entries like Assec Cms, AAA Inds, Bemrose Corp, etc.

PRELIMINARY RESULTS

Table with columns: Company, Year to, Pre-tax profit, Earnings, Dividends. Includes entries like Assoe Leisure, Astra Industrial, Astra Mint, etc.

INTERIM STATEMENTS

Table with columns: Company, Half-year to, Pre-tax profit, Interim dividends. Includes entries like Arien Electrical, Assoe Fisheries, Delight Inds, etc.

Offers for sale, placings and introductions

Anglo Nordic Holdings - Expects to begin trading on the Unlisted Securities Market on Monday, following its reverse takeover of Anglo-Argentine Tramways.

Atlantis Resources International - Is applying for a full Stock Exchange listing following a placing of 3m shares at 45p per share.

Bio-isolates - Is coming to the Unlisted Securities Market via an offer for subscription of 3,169,200 shares at 35p each.

Rights Issue

Coal Petroleum - Is raising £5.794m by way of a two for seven rights issue at 75p per share. The company has also announced plans to move from the Unlisted Securities Market to a full Stock Exchange listing.

CONTRACTS

£2m U.S. Navy order for Anchor Construction

ANCHOR CONSTRUCTION, Edinburgh, has been awarded a £2m contract for the supply of 51 prefabricated timber-framed houses for the U.S. Navy at Ruislip, Middlesex. All the units will be manufactured in the company's factory at Botness, West Lothian, Scotland...

VICKERS FLUID POWER, the Swindon-based hydraulics division of Vickers, has been awarded a contract valued at over £1.2m by the Property Services Agency for the design, supply, installation and commissioning of an aircraft hydraulic rig main test system in West Germany...

The English Land Estates Corporation states that work is to start on two semi-detached detached factory units, each of 225 square metres for the Development Commission at Devonshire Road, Millom, Cumbria. A contract worth about £110,000 has been awarded to THOMAS ARMSTRONG (CONTRACTORS) Ltd, Cockermouth. Work is due to start on August 9 and the premises should be ready for occupation in February 1983.

HENRY BOOT BUILDING has started work on a £600,000 management contract for London Transport Executive for the refurbishment of Selbie House, basement and six-storey office accommodation at Baker Street station. The 35 week contract will involve repairs to the roof and external walls. Internally the contract includes the installation of partitioning and wall finishes/erection, and work to the boiler room with heating and electricity supplies.

NEW CONTRACTS awarded by the Property Services Agency and University College of London are worth nearly £2.5m to G. E. WALLIS AND SONS. The PSA scheme is worth £1.3m for work at the National Gallery including a new temporary exhibition gallery, reading galleries 29, and 31, and new office block. The university project is valued at over a £1m and involves construction of a new fourth floor and plant room at existing roof level to the chemistry building in Gordon Street, together with alterations to laboratories on the second and third floors.

CARSON OFFICE FURNITURE has obtained the £85,500 contract for office furniture for an extension to the offices at Wycombe District Council at High Wycombe. The contract is for freestanding and screen-mounted systems furniture with screens and storage. For the extension, which will be completed next year, and will house the council's planning, technical services, housing and environmental departments.

A new intumescent paint for use in situations where highest standards of fire safety are required has been introduced by the Timonex Division of Goodlax Wall and Co. This is a water based, high building paint providing an intumescent layer in the event of fire, enabling flammable building boards—such as softwood, barboard, plywood, fibre insulating boards, and so on—to achieve a Class 0 fire classification.

It is available in white with a matt finish but decorative finish is possible by overcoating with Timonex enamel or satin lustre flame retardant paint. For maximum fire protection a

MATFERSON has been awarded an order worth around £55,000 for Mirreex Blackstone (Stockport), a Hawker Siddeley company, for the manufacture and installation of two 2-tonne semi-goliath cranes. They will be used in the Mirreex assembly shop for accurate handling of industrial and marine diesel engines and ancillary components.

ASA CRANE AND HOIST, of Cardiff, has won a £80,000 order from the British Steel Corporation for two special crane systems waste produced by the company's joinery division.

Table for M. J. H. Nightingale & Co. Limited showing financial data for 1981-82 and 1980-81, including High Low, Company, Price Change, Gross Yield, Fully Taxed.

Last Assaults upon Investor Intelligence

F.T.-ACTUARIES SHARE INDICES QUARTERLY VALUATION

The market capitalisations of the groups and sub-sections of the FT-Actuaries indices as at June 30, 1982, are expressed below in millions of pounds and as a percentage of the All-Share Index. Similar figures are also provided for the two preceding quarters.

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Market capitalisation June 30, 1982 (£m), % of All-Share Index, Market capitalisation June 30, 1981 (£m), % of All-Share Index, Market capitalisation June 30, 1980 (£m), % of All-Share Index. Includes entries like CAPITAL GOODS GROUP, BUILDING MATERIALS, CONTRACTING, etc.

SOTHEBY PARKE BERNET GROUP PLC

The audited consolidated results for the six months ended 28th February, 1982 are set out below:

Table comparing 1982 and 1981 results: Gross revenue, (Loss)/earnings before taxation, Taxation credit (1981 charge), (Loss)/earnings after taxation, Half-year Preference dividend.

(Loss)/earnings per Ordinary Share based on 11,426,708 Ordinary Shares (1981 - 11,195,767) Fully diluted (loss)/earnings per Ordinary Share

Prospects for the year ending 31st August, 1982. Auction sales (inclusive of buyer's premium) for the six months to 28th February, 1982 were £143,251,000. (1981 £160,174,000).

A major problem in this year of worldwide recession has been the persistence of high interest rates and, in particular, the exceptionally high "real" interest rates in North America. These high rates, which have affected the art market, have tended to divert funds away from art into monetary assets such as high yielding bonds and have also made the financing of inventory very expensive for dealers.

This has been reflected in the auction market, particularly in the lower and middle ranges, although prices for the finest works of art continue to increase.

The resultant uncertainty in the market has to some extent deterred major vendors and it is noticeable that no very large collections have been auctioned this season. Their lack this year is an important factor behind the sharp decline in the Group's net auction sales.

As a result, auction sales for the full year to 31st August, 1982, are likely to be about 25 per cent less than those for last year, subject to currency fluctuations. The directors expect that, following the pattern of the last two years, the results for the second half of the year will be worse than for the first.

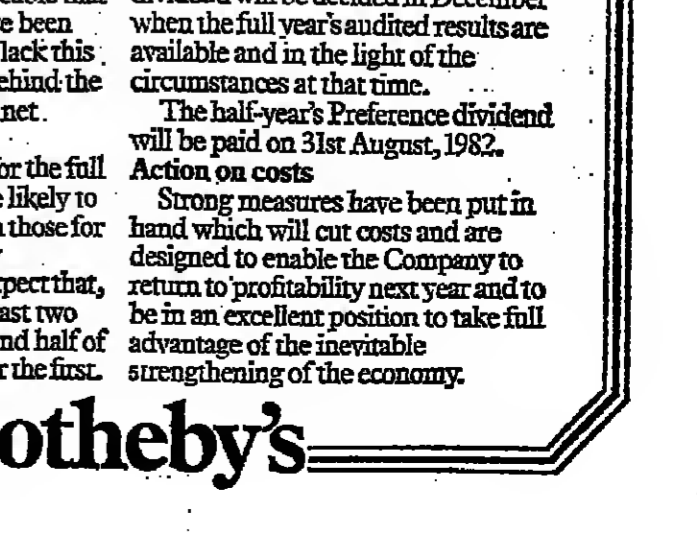
They also expect, however, that the profits from the planned sales of certain land and buildings which are considered to be surplus to requirements will be significantly more than the post-tax operating loss for the year (although all the resulting benefits to the Company's reserves will probably not occur in time for inclusion in the 1982 accounts).

The result of such sales of surplus properties will be to reduce the Company's net indebtedness (i.e. short, medium and long-term borrowings less bank balances and short term investments) to substantially below the £7.2m in the latest published balance sheet at 31st August, 1981.

Interim dividend. No interim dividend on the Ordinary Shares will be paid. The Board's policy regarding a final dividend will be decided in December when the full year's audited results are available and in the light of the circumstances at that time.

The half-year's Preference dividend will be paid on 31st August, 1982.

Action on costs. Strong measures have been put in hand which will cut costs and are designed to enable the Company to return to profitability next year and to be in an excellent position to take full advantage of the inevitable strengthening of the economy.



WORLD STOCK MARKETS

Companies and Markets

NEW YORK

Table of stock prices for various companies in New York, including AIG, Amstar, and Amgen.

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Wall St strong: up 10 by 1pm

A STRONG UPWARD movement developed in heavy trading on Wall Street yesterday, when the market received a boost from the news that a second major bank, Chemical NY, lowered its Broker Loan rate to 15 1/2 per cent from 16 per cent.

Trading volume 3.52m shares. Stocks were higher at mid-session, with Minig issues aided by firming Gold and Metal prices.

The Toronto Composite Index was up 7.7 at 1,354.1. Golds 69.5 to 1,632.2 and Metals and Minerals 17.9 to 1,235.5. The Oil and Gas Index rose 9.6 to 235.0. Bonds 0.88 to 241.82 and Utilities 0.65 to 181.44.

Parcel to be used for the new subway for three parcels near its Tokyo Shing development currently being reclaimed from the harbour. Development on the new sites can begin in 1983.

By 1 pm the Dow Jones Industrial Average was up a further 10.37 to 818.35, making a rise of 16.36 on the week, while the NYSE All Common Index, at \$62.55, rose 74 cents on the day and 56 cents on the week. Advances led declines by a three-to-one majority in a volume of 50.5m shares.

The market rally started Thursday afternoon after theoretical Illinois cut its Broker Loan rate to 15 1/2 per cent. The market was also encouraged yesterday morning by a drop in the Federal Funds rate, on Overnight Loans between Thursday to 12 1/2 per cent from Thursday night's close of 14 per cent.

Analysts attributed the heavy volume to increased activity from institutional investors, who are holding large cash positions and have been waiting for a favourable environment to re-enter the market. Blue Chip and Capital intensive stocks, favourites of last week, were the most heavily traded issues. IBM, the volume leader, rose 1/2 to \$62.

Other active Blue Chips included Exxon up \$1 to \$26.1, ATT \$1 to \$51.1, General Electric \$1 to \$69.1, Eastman Kodak \$1 to \$77.1 and General Motors \$1 to \$44.1.

Medtronic was also active but fell \$1 to \$40.1 after a late opening yesterday. It is reported that a Federal Agency is investigating possible improprieties in the sale of its pacemakers.

Closing prices for North America were not available for this edition.

Prices recovered moderately with interest revived in Blue Chips following the yen's improvement, the overnight rise on Wall Street and lower U.S. interest rates.

The major indices ended higher with the All Ordinaries up 44.65 after the sharp falls of the past two days. Banks were stronger, with Bank of NSW up 7 cents at \$2.90 and the ANZ up 2 cents at \$3.52.

Contributing to the overall upturn was increased orders from foreign investors. The Nikkei rallied 71.6 to 557. Steels, Motors, Light Electricals, Precisions and Shipbuilders were among major gainers.

Drug stocks were also up. Green Cross, which had plunged \$250 since Thursday of last week, further recovered \$80 to \$1,890.

But Soy fell \$0.20 to \$1.20 in line with its overnight price on Wall Street—April Japanese Consumer Electronics Products out full year-to-year for the first time in three years.

"Low-price" Domestic industry issues and the second market fell.

Markets continued to lack direction or impetus. Unless there is fresh news on U.S. interest rates, markets should be held back in the near term.

Higher to quiet trading, with sentiment boosted by Thursday's news that the French Government to sweep a lend

Foreign interest rates and the second market fell.

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Table with financial data, including 'RULE 163 (1) (e)' and 'Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.'

Table with financial data, including 'UNLISTED SECURITIES MARKET' and 'MONEY MARKETS'.

UK clearing bank has lending rate 12 1/2 per cent (since June 8)
UK interest rates continued to ease yesterday anticipating a cut in clearing bank base rates which did not occur.

Table with financial data, including 'EXCHANGE CROSS RATES' and 'EURO-CURRENCY INTEREST RATES (Market closing rates)'

Table with financial data, including 'FT LONDON INTERBANK FIXING (11.00 a.m. JULY 9)'

Table with financial data, including 'LONDON MONEY RATES' and 'CURRENCY MOVEMENTS'

Table with financial data, including 'OTHER CURRENCIES' and 'EMS EUROPEAN CURRENCY UNIT RATES'

Table with financial data, including 'U.K. CONVERTIBLE STOCK 10/7/82'

Table with financial data, including 'RULE 163 (2) (a)' and 'Applications granted for specific Bargains in securities not listed on any Stock Exchange.'

Table with financial data, including 'RULE 163 (3)' and 'Dealing for approved companies engaged solely in mineral exploration.'

The dollar lost ground in currency markets yesterday. There was considerable uncertainty in the market as to the clear intentions of the Federal authorities after their recent attempts to improve liquidity levels in the U.S. money market.

Table with financial data, including 'THE POUND SPOT AND FORWARD'

Table with financial data, including 'CURRENCY MOVEMENTS' and 'OTHER CURRENCIES'

Table with financial data, including 'EMS EUROPEAN CURRENCY UNIT RATES' and 'U.K. CONVERTIBLE STOCK 10/7/82'

Table with financial data, including 'U.K. CONVERTIBLE STOCK 10/7/82'

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

Large table listing various unit trusts and their performance, including columns for 'Abhey Unit Tr. Mgrs. (a)', 'Granat Unit Tr. Mgrs. Ltd. (a)', 'L & C Unit Trust Management Ltd.', etc.

LONDON STOCK EXCHANGE

Cheaper money hopes strengthen as U.S. rates fall Gilt-edged outstanding but equities again struggle

Account Dealing Dates

*First Declared Last Account Dealings 10ns Dealings Day 21 July 1 July 2 July 12 July 13 July 16 July 26 July 19 July 29 July 30 Aug 9

Recent optimism about prospects for cheaper money revived noticeably in London stock markets yesterday owing to U.S. speculation late the previous evening that the Federal Reserve would lower its discount rate in order to relieve current financial pressures on the U.S. banking system.

After boosting clear signals throughout the week of its approval of lower interest rates, UK authorities for the first time this week decided yesterday to cut an intervention rate in its money market operations.

Sizeable funds were placed in all Gilt-edged maturities and longer-dated stocks rose a full point. The Government broker sold more of the short part, £30-pd Treasury Convertible 12 1/2 per cent 1986, at 303 1/2 and withdrew.

Thorn EMI were again nervous about a new takeover bid. A preliminary statement and talk persisted that the group could be contemplating some form of fund-raising.

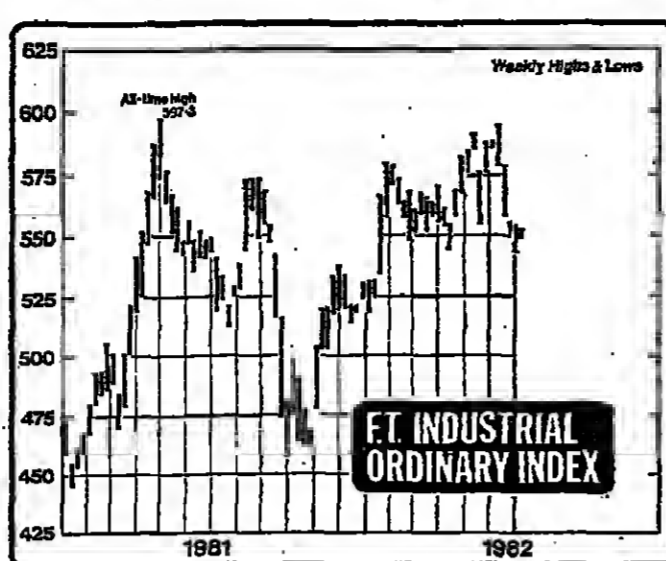
stake in the company to just under 20 per cent helped Minet to rise to a 1982 peak of 157p on hopes of a full-scale bid before the shares reacted on profit-taking to close a few pence cheaper on balance at 150p.

Discount Houses gained ground in sympathy with gilt-edged. The major players, J. Seligman & Co. rose 4 to 54p and Unilever 5 to 45p.

Business in Breweries remained at a low ebb. The leaders closed with small falls with Bass easing a couple of pence to 217p and Allied-Lyons giving up a penny to 97p.

Still overshadowed by fund-raising fears, Thorn EMI dropped to a 1982 low of 280p before closing 8 down and 25 cheaper on the week at 382p.

The ethane gas tax dispute discouraged interest in ICI, which softened a couple of pence to 298p, after 296p.



Lack of investment incentive was again reflected in leading stores which held close to the overnight positions in another slow trade. Gussies A rose 3 to 475p, while Barton Gussies A couple of pence to 178p.

Thorn EMI weak

Still overshadowed by fund-raising fears, Thorn EMI dropped to a 1982 low of 280p before closing 8 down and 25 cheaper on the week at 382p.

Stonehill fall

Stonehill fell 8 to 48p in miscellaneous industrials following the poor preliminary results, while Gomme lost 4 in sympathy.

Intasun, which assumes a full Stock Exchange listing from Monday, lost 15 to 177p on profit-taking. Among other Leisure issues, Management Agency and Music softened 2 to 192p low of 86p.

The announcement that Mr Robert Maxwell's British Printing and Communication now controls 16 per cent of the equity stimulated hopes of a counter-bid for Bemrose which closed 5 higher at 146p.

Properties rarely strayed from overnight levels until the late dealings when quotations trended lower in places. Great Portland Estates added 5 cheaper at 142p and Hammerton A 19 off at 520p.

Oil steady

Leading Oils passed a quiet latest Opec meeting and closed session awaiting news of the a shade firmer for choice.

Gold advance

Mining markets ended the week on a firm note boosted by strong gains in both precious and base-metal prices.

FINANCIAL TIMES STOCK INDICES

Table with columns for indices (Government Secs, Fixed Int., Industrial, etc.) and rows for dates (July 9, 7, 7, 7, 7, 7) and a year ago column.

Table with columns for High and Low prices and S.E. Activity (Daily, 5-day, 10-day, 20-day, 30-day).

LEADERS AND LAGGARDS

Table showing percentage changes since December 31 1981 based on Thursday July 9 1982. Lists various sectors like Health and Household Products, Tobacco, etc.

OPTIONS

Table showing call and put options for various stocks, including columns for First Dealings, Last Dealings, etc.

RISES AND FALLS

Table showing rises and falls for various stocks, categorized by British Funds, Corporate, etc.

NEW LOWS AND HIGHS FOR 1982

Table listing new highs and lows for various stocks in 1982, including columns for stock name, high, and low.

RECENT ISSUES

Table listing recent issues of stocks, including columns for issue price, date, and stock name.

FIXED INTEREST STOCKS

Table listing fixed interest stocks, including columns for issue price, date, and stock name.

"RIGHTS" OFFERS

Table listing rights offers for various stocks, including columns for issue price, date, and stock name.

THURSDAY'S ACTIVE STOCKS

Table listing Thursday's active stocks, including columns for stock name, price, and change.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Large table showing FT-Actuaries Share Indices for various equity groups and sub-sections from Fri July 9 1982 to 1982.

FIXED INTEREST

Table showing fixed interest rates and yields for various maturities and categories.

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 20p.

CONSTITUENT CHANGES: NCC Energy has been deleted and replaced by Charterhall. GSI London & Montreal Inv. has been deleted and replaced by North Sea Assets (71).

INSURANCES

Table listing various insurance companies and their products, including Life Assurance, Fire Insurance, and Marine Insurance. Includes company names like 'Allay Life Assurance Co. Ltd.' and 'British Overseas Assurance Co. Ltd.' with associated details.

INSURANCE & OVERSEAS MANAGED FUNDS

Main table listing insurance and overseas managed funds. Columns include fund names, managers, and performance metrics. Funds listed include 'Standard Life Assurance Company', 'British Overseas Assurance Co. Ltd.', and 'Allay Life Assurance Co. Ltd.'.

Table listing various financial services and companies, including 'British Overseas Assurance Co. Ltd.', 'Standard Life Assurance Company', and 'Allay Life Assurance Co. Ltd.'. Includes details on services and contact information.

INDEX

ACTIVITY

WARD

1982

NOTES
Prices are in pence unless otherwise indicated and those denominated in dollars are in U.S. dollars. Yields % (shown in italics) show all before tax, a different price below all before tax, a different price below all before tax, a different price below all before tax.



FT SHARE INFORMATION SERVICE

LOANS—Continued

High	Low	Stock	Price	%	Yield	Red.
100	98	FF 14pc 78	100	11.93	13.58	
100	98	FFUK 14pc 78	100	11.93	13.58	
100	98	FFUK 14pc 78	100	11.93	13.58	
100	98	FFUK 14pc 78	100	11.93	13.58	
100	98	FFUK 14pc 78	100	11.93	13.58	

BANKS & H.P.—Cont.

High	Low	Stock	Price	%	Yield	Red.
240	220	Brown Shipley	220	7.0	11.4	
240	220	Brown Shipley	220	7.0	11.4	
240	220	Brown Shipley	220	7.0	11.4	
240	220	Brown Shipley	220	7.0	11.4	
240	220	Brown Shipley	220	7.0	11.4	

CHEMICALS, PLASTICS—Cont.

High	Low	Stock	Price	%	Yield	Red.
265	250	Woodrow GMS	250	10.7	11.4	
265	250	Woodrow GMS	250	10.7	11.4	
265	250	Woodrow GMS	250	10.7	11.4	
265	250	Woodrow GMS	250	10.7	11.4	
265	250	Woodrow GMS	250	10.7	11.4	

ENGINEERING—Continued

High	Low	Stock	Price	%	Yield	Red.
20	18	Advent Group	18	7.5	11.4	
20	18	Advent Group	18	7.5	11.4	
20	18	Advent Group	18	7.5	11.4	
20	18	Advent Group	18	7.5	11.4	
20	18	Advent Group	18	7.5	11.4	

HOTELS AND CATERERS

High	Low	Stock	Price	%	Yield	Red.
91	85	Brent Walker	85	7.5	11.4	
91	85	Brent Walker	85	7.5	11.4	
91	85	Brent Walker	85	7.5	11.4	
91	85	Brent Walker	85	7.5	11.4	
91	85	Brent Walker	85	7.5	11.4	

INDUSTRIALS (Miscel.)

High	Low	Stock	Price	%	Yield	Red.
33	30	AAA Ind.	30	10.0	11.4	
33	30	AAA Ind.	30	10.0	11.4	
33	30	AAA Ind.	30	10.0	11.4	
33	30	AAA Ind.	30	10.0	11.4	
33	30	AAA Ind.	30	10.0	11.4	

BRITISH FUNDS

High	Low	Stock	Price	%	Yield	Red.
97	95	Each 10pc 1982	95	9.32	12.43	
97	95	Each 10pc 1982	95	9.32	12.43	
97	95	Each 10pc 1982	95	9.32	12.43	
97	95	Each 10pc 1982	95	9.32	12.43	
97	95	Each 10pc 1982	95	9.32	12.43	

FOREIGN BONDS & RAILS

High	Low	Stock	Price	%	Yield	Red.
100	98	For Antigua	100	11.93	13.58	
100	98	For Antigua	100	11.93	13.58	
100	98	For Antigua	100	11.93	13.58	
100	98	For Antigua	100	11.93	13.58	
100	98	For Antigua	100	11.93	13.58	

BEERS, WINES AND SPIRITS

High	Low	Stock	Price	%	Yield	Red.
101	98	Abbott Labs	98	11.93	13.58	
101	98	Abbott Labs	98	11.93	13.58	
101	98	Abbott Labs	98	11.93	13.58	
101	98	Abbott Labs	98	11.93	13.58	
101	98	Abbott Labs	98	11.93	13.58	

DRAPERY AND STORES

High	Low	Stock	Price	%	Yield	Red.
265	250	Woodrow GMS	250	10.7	11.4	
265	250	Woodrow GMS	250	10.7	11.4	
265	250	Woodrow GMS	250	10.7	11.4	
265	250	Woodrow GMS	250	10.7	11.4	
265	250	Woodrow GMS	250	10.7	11.4	

AMERICANS

High	Low	Stock	Price	%	Yield	Red.
101	98	Abbott Labs	98	11.93	13.58	
101	98	Abbott Labs	98	11.93	13.58	
101	98	Abbott Labs	98	11.93	13.58	
101	98	Abbott Labs	98	11.93	13.58	
101	98	Abbott Labs	98	11.93	13.58	

BUILDING INDUSTRY, TIMBER AND ROADS

High	Low	Stock	Price	%	Yield	Red.
228	210	Abbott Labs	210	11.93	13.58	
228	210	Abbott Labs	210	11.93	13.58	
228	210	Abbott Labs	210	11.93	13.58	
228	210	Abbott Labs	210	11.93	13.58	
228	210	Abbott Labs	210	11.93	13.58	

ELECTRICALS

High	Low	Stock	Price	%	Yield	Red.
214	200	Abbott Labs	200	11.93	13.58	
214	200	Abbott Labs	200	11.93	13.58	
214	200	Abbott Labs	200	11.93	13.58	
214	200	Abbott Labs	200	11.93	13.58	
214	200	Abbott Labs	200	11.93	13.58	

Five to Fifteen Years

High	Low	Stock	Price	%	Yield	Red.
76	70	Abbott Labs	70	11.93	13.58	
76	70	Abbott Labs	70	11.93	13.58	
76	70	Abbott Labs	70	11.93	13.58	
76	70	Abbott Labs	70	11.93	13.58	
76	70	Abbott Labs	70	11.93	13.58	

Over Fifteen Years

High	Low	Stock	Price	%	Yield	Red.
75	70	Abbott Labs	70	11.93	13.58	
75	70	Abbott Labs	70	11.93	13.58	
75	70	Abbott Labs	70	11.93	13.58	
75	70	Abbott Labs	70	11.93	13.58	
75	70	Abbott Labs	70	11.93	13.58	

Undated

High	Low	Stock	Price	%	Yield	Red.
101	98	Abbott Labs	98	11.93	13.58	
101	98	Abbott Labs	98	11.93	13.58	
101	98	Abbott Labs	98	11.93	13.58	
101	98	Abbott Labs	98	11.93	13.58	
101	98	Abbott Labs	98	11.93	13.58	

Index-Linked & Variable

High	Low	Stock	Price	%	Yield	Red.
101	98	Abbott Labs	98	11.93	13.58	
101	98	Abbott Labs	98	11.93	13.58	
101	98	Abbott Labs	98	11.93	13.58	
101	98	Abbott Labs	98	11.93	13.58	
101	98	Abbott Labs	98	11.93	13.58	

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

High	Low	Stock	Price	%	Yield	Red.
101	98	Abbott Labs	98	11.93	13.58	
101	98	Abbott Labs	98	11.93	13.58	
101	98	Abbott Labs	98	11.93	13.58	
101	98	Abbott Labs	98	11.93	13.58	
101	98	Abbott Labs	98	11.93	13.58	

CORPORATION LOANS

High	Low	Stock	Price	%	Yield	Red.
94	90	Abbott Labs	90	11.93	13.58	
94	90	Abbott Labs	90	11.93	13.58	
94	90	Abbott Labs	90	11.93	13.58	
94	90	Abbott Labs	90	11.93	13.58	
94	90	Abbott Labs	90	11.93	13.58	

COMMONWEALTH AND AFRICAN LOANS

High	Low	Stock	Price	%	Yield	Red.
92	88	Abbott Labs	88	11.93	13.58	
92	88	Abbott Labs	88	11.93	13.58	
92	88	Abbott Labs	88	11.93	13.58	
92	88	Abbott Labs	88	11.93	13.58	
92	88	Abbott Labs	88	11.93	13.58	

Public Bond and Ind.

High	Low	Stock	Price	%	Yield	Red.
64	60	Abbott Labs	60	11.93	13.58	
64	60	Abbott Labs	60	11.93	13.58	
64	60	Abbott Labs	60	11.93	13.58	
64	60	Abbott Labs	60	11.93	13.58	
64	60	Abbott Labs	60	11.93	13.58	

LOANS

High	Low	Stock	Price	%	Yield	Red.
64	60	Abbott Labs	60	11.93	13.58	
64	60	Abbott Labs	60	11.93	13.58	
64	60	Abbott Labs	60	11.93	13.58	
64	60	Abbott Labs	60	11.93	13.58	
64	60	Abbott Labs	60	11.93	13.58	

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	%	Yield	Red.
282	260	Abbott Labs	260	11.93	13.58	
282	260	Abbott Labs	260	11.93	13.58	
282	260	Abbott Labs	260	11.93	13.58	
282	260	Abbott Labs	260	11.93	13.58	
282	260	Abbott Labs	260	11.93	13.58	

FINANCIAL

High	Low	Stock	Price	%	Yield	Red.
240	220	Brown Shipley	220	7.0	11.4	
240	220	Brown Shipley	220	7.0	11.4	
240	220	Brown Shipley	220	7.0	11.4	
240	220	Brown Shipley	220	7.0	11.4	
240	220	Brown Shipley	220	7.0	11.4	

CHEMICALS, PLASTICS

High	Low	Stock	Price	%	Yield	Red.
265	250	Woodrow GMS	250	10.7	11.4	
265	250	Woodrow GMS	250	10.7	11.4	
265	250	Woodrow GMS	250	10.7	11.4</	